

## 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 45<sup>th</sup> Street, New York, NY, on April 21, 2016 at 9:00 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 Corporate Secretary at any time before the proxy is voted. You may also access the Notice of Annual Meeting of Shareholders and the Proxy Statement via the Internet at [www.signatureny.com](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**

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON APRIL 21, 2016**

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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 45<sup>th</sup> Street, New York, NY, on April 21, 2016 at 9:00 a.m., local time:

1. To elect three members of the Board of Directors to serve until their successors have been duly elected and qualified;
2. To ratify the appointment of KPMG LLP, an independent registered public accounting firm, as the independent auditors for the year ending December 31, 2016;
3. To hold an advisory vote on executive compensation; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed March 2, 2016 as the record date for the Annual Meeting with respect to this solicitation. Only holders of record of Signature Bank's 53,721,030 shares of common stock at the close of business on that date are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof as described in the Proxy Statement. Please complete, sign and date the enclosed proxy card, which is solicited by Signature Bank's Board of Directors, and mail it promptly in the enclosed envelope. Alternatively, you may vote by phone or electronically over the Internet in accordance with the instructions on the enclosed proxy card.

**PROMPTLY RETURNING YOUR PROXY WILL SAVE THE BANK THE EXPENSE OF MAKING FURTHER REQUESTS FOR PROXIES IN ORDER TO OBTAIN A QUORUM. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE. ALTERNATIVELY, REFER TO THE INSTRUCTIONS ON THE PROXY CARD TO TRANSMIT YOUR VOTING INSTRUCTIONS VIA THE INTERNET OR BY TELEPHONE.**

By Order of the Board of Directors,

/s/ Patricia E. O'Melia

Patricia E. O'Melia

*Corporate Secretary*

*This notice of annual meeting, proxy statement and form of proxy are being furnished on or about March 21, 2016 to Signature Bank shareholders of record as of March 2, 2016.*

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY  
MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD  
ON APRIL 21, 2016**  
**The Notice of Annual Meeting of the Shareholders, the Proxy Statement and the Bank's  
Annual Report on Form 10-K are available without charge at the following location:**  
*www.signatureny.com under "Investor Relations"*



## TABLE OF CONTENTS

About the Meeting . . . . .	1
Outstanding Voting Securities . . . . .	4
Principal Shareholders . . . . .	5
Election of Directors (Proposal No. 1) . . . . .	7
Directors and Nominees . . . . .	7
Executive Officers . . . . .	10
Executive Compensation . . . . .	12
Compensation of Directors . . . . .	28
Report of the Compensation Committee on Executive Compensation . . . . .	29
Report of the Examining Committee . . . . .	30
Report of the Risk Committee . . . . .	32
Certain Relationships and Related Transactions . . . . .	33
Corporate Governance Principles and Board of Directors' Matters . . . . .	33
Equity Incentive Plan Information . . . . .	40
Ratification of Independent Auditors (Proposal No. 2) . . . . .	41
Principal Auditor Fees and Services . . . . .	41
Advisory Vote on Executive Compensation (Proposal No. 3) . . . . .	42
Other Matters . . . . .	43

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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,” the “Bank” or the “Company,” is furnishing this Proxy Statement to solicit proxies for use at Signature Bank’s Annual Meeting of Shareholders (the “2016 Annual Meeting”), to be held on April 21, 2016 at 9:00 a.m., local time, at The Roosevelt Hotel, 45 East 45<sup>th</sup> 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 2016 Annual Meeting, shareholders will act upon the following matters which are outlined in the enclosed notice of meeting:

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

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

**Who is entitled to vote at the meeting?**

Only shareholders of record at the close of business on March 2, 2016, the record date for the meeting, are entitled to receive notice of and to participate in the 2016 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 issued and outstanding share of Signature Bank common stock will be entitled to one vote on each matter considered at the 2016 Annual Meeting.

**Who can attend the meeting?**

All shareholders as of the record date, or their duly appointed proxies, may attend the 2016 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?**

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

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

## **May I change my vote after I return my proxy card?**

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

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

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

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

- *for* the election of the nominees for the Board of Directors (see Proposal 1);
- *for* ratification of the appointment of KPMG LLP as the Company's independent auditors for fiscal year 2016 (see Proposal 2); and
- *for* the approval, on an advisory basis, of the compensation of our executive officers (see Proposal 3).

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

## **How are votes counted?**

For Proposal 1 (election of directors), you may vote "FOR" all of the nominees or your vote may be "WITHHELD" with respect to one or more of the nominees. For Proposal 2 (ratification of the appointment of KPMG LLP as the Company's independent auditors for fiscal year 2016) and Proposal 3 (approval, on an advisory basis, of the compensation of our executive officers), you may vote "FOR," "AGAINST" or "ABSTAIN."



**What happens if I do not give specific voting instructions?**

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

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

then the proxy holders will vote your shares in the manner recommended by the Board of Directors on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the 2016 Annual Meeting. See the section entitled “Other Matters” below.

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

**Which ballot measures are considered “routine” or “non-routine”?**

The ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2016 (Proposal 2) is a matter considered routine under applicable rules. A broker or other nominee may generally vote on routine matters, and therefore no broker non-votes are expected to exist in connection with Proposal 2.

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

**How are broker non-votes and abstentions treated?**

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

**What vote is required to approve each item?**

*Election of Directors.* The affirmative vote of a plurality of the votes cast at the meeting is required for the election of directors. In other words, the three persons receiving the highest number of “FOR” votes at the 2016 Annual Meeting will be elected as directors. A properly executed proxy marked “WITHHELD” with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum present at the meeting.

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

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

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

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

Other than the items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the 2016 Annual Meeting. If you grant a proxy, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting, including an adjournment of the meeting to a later time. If for any unforeseen reason any of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board of Directors.

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

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

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

We intend to announce preliminary voting results at the 2016 Annual Meeting and publish the final results in a Current Report on Form 8-K within four business days of the 2016 Annual Meeting.

**OUTSTANDING VOTING SECURITIES**

The Company has fixed the close of business on March 2, 2016 as the record date for determining stockholders entitled to receive copies of this Proxy Statement. As of the record date, there were 53,721,030 shares of Signature Bank common stock outstanding. Each issued and outstanding share of Signature Bank common stock has one (1) vote on any matter submitted to a vote of stockholders.

## PRINCIPAL SHAREHOLDERS

### Beneficial Ownership Table

The table below sets forth, as of March 2, 2016, information with respect to the beneficial ownership of Signature Bank's common stock by:

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

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

Name and Address of Beneficial Owner <sup>(1)</sup>	Shares of Common Stock Beneficially Owned on March 2, 2016	
	Number of Shares	Percentage of Class
BlackRock, Inc. <sup>(2)</sup> .....	3,867,415	7.7%
The Vanguard Group, Inc. <sup>(3)</sup> .....	2,968,120	5.9%
Scott A. Shay <sup>(4)(5)</sup> .....	351,785	*
Joseph J. DePaolo <sup>(4)(5)</sup> .....	189,567	*
John Tamberlane <sup>(4)(5)</sup> .....	89,934	*
Mark T. Sigona <sup>(4)(5)</sup> .....	112,200	*
Michael Merlo <sup>(4)(5)</sup> .....	114,208	*
Michael Sharkey <sup>(4)(5)</sup> .....	49,430	*
Peter S. Quinlan <sup>(4)(5)</sup> .....	87,014	*
Eric R. Howell <sup>(4)(5)</sup> .....	54,448	*
Vito Susca <sup>(4)(5)</sup> .....	13,592	*
Kathryn A. Byrne <sup>(4)(5)</sup> .....	10,614	*
Alfonse M. D'Amato <sup>(4)(5)</sup> .....	30,500	*
Barney Frank <sup>(4)(5)</sup> .....	1,913	*
Judith A. Huntington <sup>(4)(5)</sup> .....	6,824	*
Jeffrey W. Meshel <sup>(4)(5)</sup> .....	18,864	*
Michael V. Pappagallo <sup>(4)(5)(6)</sup> .....	8,274	*
Derrick D. Cephas <sup>(4)</sup> .....	—	*
All current directors, nominees and executive officers as a group (16 persons) <sup>(4)(5)(6)</sup> .....	1,139,167	2.1%

\* Less than 1%.

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

(2) Pursuant to a Schedule 13G filed by BlackRock, Inc. for the period ended December 31, 2015, BlackRock, Inc., in its capacity as an investment advisor, may be deemed the beneficial owner of these shares. The business address of BlackRock, Inc. is 55 East 52<sup>nd</sup> Street, New York, NY 10022.

- (3) Pursuant to a Schedule 13G filed by The Vanguard Group, Inc. for the period ended December 31, 2014, The Vanguard Group, Inc., in its capacity as an investment advisor, or its subsidiaries, in their capacity as investment managers, may be deemed the beneficial owner of these shares. The business address of The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, PA 19355.
- (4) Includes, for each of the following persons, the respective number of shares of restricted stock and options exercisable currently or within 60 days of March 2, 2016:

Name	Option Shares	Restricted Stock
Scott A. Shay . . . . .	—	36,665
Joseph J. DePaolo . . . . .	—	48,093
John Tamberlane . . . . .	—	30,555
Mark T. Sigona . . . . .	—	33,570
Michael Merlo . . . . .	—	33,570
Michael Sharkey . . . . .	—	24,800
Peter S. Quinlan . . . . .	—	30,555
Eric R. Howell . . . . .	—	33,570
Vito Susca . . . . .	—	4,825
Kathryn A. Byrne . . . . .	—	2,500
Alfonse M. D' Amato . . . . .	—	2,500
Barney Frank . . . . .	—	1,913
Judith A. Huntington . . . . .	—	2,500
Jeffrey W. Meshel . . . . .	—	2,500
Michael V. Pappagallo . . . . .	—	2,500
Derrick D. Cephas . . . . .	—	—

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

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

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

## ELECTION OF DIRECTORS

### (PROPOSAL NO. 1)

Signature Bank's restated organization certificate, as amended by the First Amendment to the Restated Organization Certificate (as so amended, the "Restated Organization Certificate"), divides the Company's Board of Directors into three classes, with three directors per class and with each class being elected to a staggered three-year term. At the 2016 Annual Meeting, three directors are nominated to serve as Class II Directors and the Board of Directors has endorsed such nominations. All of the nominees, except Derrick D. Cephas, are currently directors of Signature Bank. The three directors nominated for election as Class II Directors at the 2016 Annual Meeting of Shareholders, each to serve a term ending at the 2019 Annual Meeting of Shareholders or until their respective successors have been elected and qualified, are John Tamberlane, Judith A. Huntington and Derrick D. Cephas.

Directors not currently standing for re-election include Scott A. Shay, Joseph J. DePaolo and Barney Frank, who are Class III Directors serving terms ending at the 2017 Annual Meeting, and Kathryn A. Byrne, Alfonse M. D'Amato and Jeffrey W. Meshel, who are Class I Directors serving terms ending at the 2018 Annual Meeting.

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

If at the time of the 2016 Annual Meeting any of the nominees is unable or unwilling to serve as a director of Signature Bank, the persons named in the proxy intend to vote for such substitutes as may be nominated by our Board of Directors. Our Board of Directors knows of no reason why any nominee for director would be unable to serve as director.

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

### DIRECTORS AND NOMINEES

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

Name	Age	Position
<b>Nominees for Election</b>		
John Tamberlane	74	Vice-Chairman and Director
Judith A. Huntington	52	Director
Derrick D. Cephas	64	Director
<b>Directors Continuing in Office</b>		
Scott A. Shay	58	Chairman of the Board of Directors
Joseph J. DePaolo	56	President and Chief Executive Officer and Director
Kathryn A. Byrne	50	Lead Director
Barney Frank	75	Director
Alfonse M. D'Amato	78	Director
Jeffrey W. Meshel	58	Director

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

## **Director Nominees**

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

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

*Derrick D. Cephas* is a partner at Weil, Gotshal & Manges LLP, an international full service law firm headquartered in New York City. Mr. Cephas has broad-based experience in representing commercial banks, thrift institutions, bank holding companies and foreign banking corporations in a wide range of regulatory and transactional matters. Recently, Mr. Cephas has spent a considerable amount of time counseling clients with respect to compliance with the Dodd-Frank Act and the Volcker Rule as well as compliance with enhanced prudential standards for large banks. Prior to joining Weil, Mr. Cephas served as President and Chief Executive Officer of Amalgamated Bank, then a \$4.5 billion commercial bank headquartered in New York City. Previously, he was a banking and corporate law partner in the New York office of Cadwalader, Wickersham & Taft. Prior to Cadwalader, Mr. Cephas served as the Superintendent of Banks for the State of New York from 1991 to 1994. He is a former member of the Board of Directors of the Dime Savings Bank of New York, Merrill Lynch International Bank and D.E. Shaw & Co. Inc. He is currently a Director of the Fresh Air Fund, Empire State Development Corporation, the New York Public Asset Fund, Trevor Day School, and the New York City Housing Authority and a member of the Board of Advisors for The Mayor's Fund to Advance New York City. Mr. Cephas' significant experience in public policy matters relating to the banking industry led the Board to conclude that he should be a member of our Board of Directors.

## **Directors Continuing in Office**

*Joseph J. DePaolo* has been President and Chief Executive Officer and a Director of Signature Bank since its inception. He has also served as a Director of Signature Securities Group since its inception and served as its Chairman of the Board until December 2006. Prior to joining Signature Bank, Mr. DePaolo was a Managing Director and member of the Senior Management Committee of the Consumer Financial Services Division at Republic National Bank, which he joined in 1988. At Republic National Bank, Mr. DePaolo held numerous positions including First Vice President and Deputy Auditor, First Vice President and Senior Vice President of Consumer Banking, Managing Director, Chairman of Republic Financial Services Corporation (Republic National Bank's retail broker-dealer group) and Chairman of Republic Insurance Agency (Republic National Bank's retail insurance agency). Prior to joining Republic National Bank, Mr. DePaolo was a senior

audit manager with KPMG Peat Marwick. Mr. DePaolo is a member of the New York State Society of CPAs. Mr. DePaolo's experience in commercial banking and his role as our President and Chief Executive Officer led the Board to conclude that he should be a member of our Board of Directors.

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

*Barney Frank* has been a member of the Board of Directors since June 2015. Mr. Frank served as a U.S. Congressman representing the 4<sup>th</sup> District of Massachusetts from 1981 – 2013 and also was the Chairman of the House Financial Services Committee from 2007 – 2011. As Chair of the House Financial Services Committee, Mr. Frank was instrumental in crafting the short-term \$550 billion rescue plan in response to the nation's financial crisis. Later, he co-sponsored the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law in July 2010. Prior to serving in Congress, Mr. Frank spent eight years as a state Representative in Massachusetts and, earlier, served as Chief of Staff to Congressman Michael Harrington and Chief Assistant to Mayor Kevin White of Boston. Mr. Frank's extensive experience as a Congressman, and particularly as Chair of the House Financial Services Committee, led the Board to conclude that he should be a member of the Board of Directors.

*Kathryn A. Byrne, CPA*, has been a member of the Board of Directors since December 2005. Currently, she serves as the Practice Leader of the manufacturing and distribution group at the New York City-based accounting and consulting firm WeiserMazars LLP. Ms. Byrne has provided accounting, auditing, tax and consulting services to domestic and foreign corporations across various industries for more than 25 years. Ms. Byrne's experience in the accounting profession, and, in particular, her experience auditing public companies, led the Board to conclude that she should be a member of our Board of Directors. On June 17, 2015, Ms. Byrne was elected to be the Bank's Lead Independent Director.

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

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

## EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers:

Name	Age	Position
Scott A. Shay	58	Chairman of the Board of Directors
Joseph J. DePaolo	56	President and Chief Executive Officer, Director
John Tamberlane	74	Vice-Chairman, Director
Mark T. Sigona	54	Executive Vice President and Chief Operating Officer
Michael Merlo	68	Executive Vice President and Chief Credit Officer
Michael Sharkey	58	Senior Vice President and Chief Technology Officer
Eric R. Howell	45	Executive Vice President-Corporate & Business Development
Peter S. Quinlan	49	Executive Vice President and Treasurer
Vito Susca	47	Senior Vice President and Chief Financial Officer

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

*Mark T. Sigona* is Executive Vice President and Chief Operating Officer of Signature Bank, a role to which he was appointed in November 2004. Prior to this appointment, he had been serving as Senior Vice President and Chief Financial Officer, a role he held since Signature Bank’s inception. Prior to joining Signature Bank, Mr. Sigona was a Senior Vice President and head of the Accounting Services Division of the Finance Group at Republic National Bank, which he joined in March 1989. At Republic National Bank, Mr. Sigona held numerous positions, including First Vice President of the Finance Division and Internal Audit Manager. Prior to joining Republic National Bank, Mr. Sigona was a supervising senior accountant at KPMG Peat Marwick.

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

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

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



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

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

## 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 2015, as well as the other individuals included in the Summary Compensation Table, are referred to as the “named executive officers.”

### Executive Summary

As described in more detail in the Company’s Annual Report on Form 10-K, the Company achieved outstanding financial performance in 2015, including a 22.2% increase in annual diluted earnings per share and a 25.7% increase in net income, as compared to fiscal 2014 performance. The Company was ranked sixth by *Forbes* in *Forbes’* annual list of America’s Best and Worst Banks 2016 and ranked third on *Bank Director’s* 2015 Bank Performance Scorecard for banks with assets between \$5 billion and \$50 billion. In 2015, the Company exceeded the performance of its peer group (as described below) in many significant performance metrics, year-over-year growth metrics and credit metrics. Some notable achievements included:

Performance Metrics	Growth Metrics (over 2014)	Credit Metrics
Return on Equity — 13.85%	Deposit Growth — +18.4%	Nonperforming asset ratio — 0.22%
Total Shareholder Return — 21.8%	Loan Growth — +33.2%	Net charge-offs/average loans — 0.08%
Efficiency Ratio — 33.6%	Pre-Tax Earnings Growth — +22.7%	

With respect to the key compensation decisions that we made for our named executive officers for the 2015 fiscal year, our senior management is compensated in accordance with the same underlying principles that we compensate our group directors: with base salaries that are generally lower than those at the other banks in our peer group, but with upside potential based primarily on growth in the Company’s stock price. As part of our normal annual base salary review, we awarded a 3% increase in annual base salary to each named executive officer in January 2015 (effective in March 2015). Base salaries were increased generally from 2.4% to 5.3% in January 2016 (effective in March 2016). Mr. DePaolo received a more substantial increase (6.67%) to reflect his continued strong leadership during our period of sustained strong financial performance, and Mr. Susca received a slightly larger increase (8.3%) as the Company continues to raise his salary from his relatively lower starting salary level that was in place when he was originally promoted to Chief Financial Officer.

In light of our named executive officers’ significant contributions to our strong financial performance in fiscal 2015, we awarded annual cash bonuses to each named executive officer for fiscal 2015 in amounts that represented a 12% to 17.65% increase over the annual cash bonuses awarded for fiscal 2014, except for Mr. Susca, who received a 30% increase as the Company continued to normalize the compensation for his position to reflect his continuing advancement and growth as Chief Financial Officer.

Consistent with our general historical approach to equity compensation, we determined in the first quarter of 2016 to award restricted stock grants (based on fiscal 2015 performance) to our named executive officers of the same number of shares that have been proposed to be granted to them in each of the last several years (except for Mr. Susca, who received a higher number of shares); such shares will vest equally over four years. In 2015, the actual number of shares granted to our named executive officers was slightly less because the Compensation Committee determined (in light of the period of time between the date of the Compensation Committee meeting authorizing the awards and the actual date of grant on March 23, 2015) to limit the number of shares awarded so the grant date value would not be more than it would have been if the Company’s stock price reached \$127.96.

## Compensation Program Objectives

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

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), we provided our shareholders with a non-binding advisory vote on our compensation program for our named executive officers. A significant margin of our shareholders, the holders of approximately 96% of the shares voted at our 2015 annual meeting, cast votes in favor of our compensation program. The Compensation Committee believes that the results of the "say-on-pay" vote provide further support to its view that the executive compensation program is appropriate, and the Compensation Committee determined not to make any changes to its design during 2015.

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

## Committee's Compensation Consultant

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

## Determination of 2015 Peer Group

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

In connection with undertaking our review of potential peer group companies for 2015, as in prior years, we observed that there are not a great number of banks whose business strategies are sufficiently similar to ours, and that most of those banks have a larger retail component than we do. We believe that some of our most direct peer banks against whom we compete for business are the small portion of the larger banks (including JP Morgan Chase, Bank of America, HSBC and Citigroup) that operate in the same middle market space as we do; however, it is methodologically difficult to compare compensation levels between us and large banks. We are also especially cognizant of certain factors that investors and credit analysts take into account in analyzing a bank's status, including particularly the level of a bank's nonperforming assets.

We proceeded to review banks in our region that could possibly be characterized as our competitors. These banks do not precisely engage in the same business that we do or directly compete with us. We then expanded our review to look at all public banks and thrifts with between \$20 billion and \$55 billion of assets, intending to locate a group of banks with mean and median asset sizes that are similar to our size (approximately \$31.9 billion) on September 30, 2015, the date of this review. As of December 31, 2015, our assets were approximately \$33.45 billion. Of these, we limited our search to those banks that were profitable and had less than 1% nonperforming assets. We focused on companies that are truly middle market banks (not retail banks that have primarily fee-oriented businesses) and have achieved significant growth in deposits and specifically in non-interest bearing deposits.

In accordance with the foregoing process and analysis, we have determined that our peer group for 2015 included the following 14 banks that satisfied all five of the following criteria: (i) they had assets between \$20 billion and \$55 billion; (ii) they had a positive 'Return on Average Assets', that is, they were profitable; (iii) their adjusted nonperforming assets constituted less than 1% of their total assets; (iv) they are top tier banks or bank holding companies based in the United States; and (v) they are public depository institutions:

Bank United, Inc.	BOK Financial Corporation	Commerce Bancshares, Inc.
Cullen/Frost Bankers, Inc.	East West Bancorp, Inc.	FirstMerit Corporation
First Citizens BancShares, Inc.	First Republic Bank	Hancock Holding Company
New York Community Bancorp, Inc.	Prosperity Bancshares, Inc.	SVB Financial Group
Umpqua Holdings Corporation	Wintrust Financial Corporation	

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

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

#### The Process of Setting CEO Compensation

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

#### Elements of Compensation for 2015 and Why We Chose to Pay Each Element

For our fiscal year ended December 31, 2015, the principal components of compensation for the named executive officers were:

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

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

As noted above in "Executive Summary", the Company has historically compensated senior management consistent with the way in which it has compensated its group directors: with annual base salaries that are set generally lower than those at other banks in our peer group, but with upside potential that is limited only by the growth in the Company's stock price. Continuing this philosophy in 2015, 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. For 2015, the portion of total direct compensation payable to our named executive officers composed of fixed compensation (base salary) and variable compensation (performance-based bonus and restricted stock) was as follows:

Named Executive Officer	As a % of Total Direct Compensation		
	Base Salary	Performance Bonus	Restricted Stock
Joseph J. DePaolo	9.1%	36.3%	54.6%
Scott A. Shay	10.0%	24.0%	66.0%
Eric Howell	9.5%	15.7%	74.8%
John Tamberlane	10.1%	15.6%	74.3%
Vito Susca	16.6%	17.9%	65.5%

Since 2011, the Company has not materially changed the number of shares of restricted stock awarded to our named executive officers. The growth in compensation to our named executive officers is directly related to the growth in our stock price, consistent with our pay-for-performance philosophy.

**Base Salary.** We provide executive officers with a base salary to compensate them for services rendered during the fiscal year. This process also enables us to attract and retain an appropriate caliber of talent for the position and to provide a base level of monthly income that is not subject to our performance risk. We conduct a review of base salaries annually, and during such a review we generally consider each named executive officer's individual past performance, the scope of the role and responsibilities of the executive officer within our organization, and the performance of the organization as a whole. We also review the officer's compensation relative to that of our other officers and to the market for officers of similar expertise and experience. In January 2016, the Compensation Committee met and approved increases ranging from 2.4% to 8.3% in the annual base salary for each of the following named executive officers, effective March 2016: Joseph J. DePaolo from \$750,000 to \$800,000 (which reflected not only the annual merit increase but also recognition of his continually strong leadership during our period of sustained strong financial performance); Scott A. Shay from \$548,278 to \$564,726; Eric Howell from \$379,723 to \$400,000; and John Tamberlane from \$410,595 to \$420,595. Vito Susca's annual base salary was increased from \$300,000 to \$325,000 (which reflected not only the annual merit increase but also a continuing progression of additional increases that take into account that his starting salary at the time of his promotion to Chief Financial Officer was at a generally below market level for this position). These increases ensure that the base salaries we provide remain competitive in the market for executives of similar expertise and experience.

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

The employment agreements of both the Executive Chairman and the CEO provide that each shall receive an annual bonus based on the achievement of certain performance criteria determined by the Board. Pursuant to the terms of his chairman agreement, the bonus received by the Executive Chairman is to be 50% of the CEO's bonus, which is also established annually pursuant to the terms of his employment agreement; however, the Executive Chairman waived this provision beginning with his bonus for fiscal 2013.

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

Pursuant to the 2004 Equity Plan, during the first quarter of 2015, our Compensation Committee, which consists of members of our Board who were "outside directors" as defined in Section 162(m) of the Internal Revenue Code, established objective performance criteria (achievement of a specified level of after-tax net income) in order to comply with the requirements of Section 162(m) of the Internal Revenue Code to permit annual cash bonuses (and grants of restricted stock, described below under "— Restricted Stock Awards") to be fully deductible for federal income tax purposes. For 2015, the Compensation Committee determined that bonuses (in the form of cash bonuses and restricted stock awards) would be payable only if the Company's after-tax net income was at least \$140 million, provided that the aggregate amount of annual cash bonus plus the value of restricted stock granted in respect of 2015 performance (based on the closing price of the Company's common stock on the date of grant) for any named executive officer would not exceed the lesser of (i) 12 times the named executive officer's base salary and (ii) \$9,000,000. With respect to annual cash bonuses, the 2004 Equity Plan provides that the maximum annual cash bonus any single participant may receive is \$5,000,000.

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

The quantitative performance criteria considered by the Compensation Committee to determine cash bonuses for 2015 included the following: deposit growth, trends in nonperforming assets, tangible capital levels, return on assets, return on equity, earnings per share, comparison of actual performance against budget, net income, loan growth and efficiency ratio. In particular, in the case of the Executive Chairman and the CEO, the Compensation Committee had set proposed quantitative criteria that included (1) net income of at least \$335 million (adjusted as applicable for any FDIC special assessments), (2) deposit growth of at least \$2.5 billion, (3) an efficiency ratio of not more than 40%, (4) achieving a tangible capital ratio that would enable us to remain strong compared to other banks in our peer group, and (5) maintaining a level of nonperforming assets that were significantly lower than the banking industry as a whole. The other named executive officers' performance was also assessed based on degree of attainment of these goals. The qualitative criteria considered by the Compensation Committee included the following, and were tailored to the named executive officer's position: reputation and ratings of the Company; maintaining the business philosophy and culture of the Company; and continued development and adherence to appropriate and prudent business strategy and decision making with regard to acquisition of securities, credit determinations, problem resolution and the addition of new private client banking groups, among others.

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

The Compensation Committee noted that the Company had outperformed its 2014 performance and budgeted 2015 performance in all major financial categories, including total assets, total loans, total deposits, net income and return on average assets. The Compensation Committee further reflected on the fact that, in keeping with the view of the management team as founders of the Bank, the Compensation Committee has historically been sensitive to and restrained towards its compensation for the named executive officers. Given our superior financial performance during 2015, the Compensation Committee determined that an increase in annual cash bonuses over 2014 levels was appropriate and, accordingly, the Compensation Committee approved cash bonuses for fiscal 2015 in the amounts of \$3,000,000 for Mr. DePaolo, \$1,310,000 for Mr. Shay, \$325,000 for Mr. Susca, and \$630,000 for each of Messrs. Tamberlane and Howell.

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

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

All awards of restricted stock under the aforementioned program are made at the closing price of our common stock on the NASDAQ Global Select Market on the date of the grant. We generally only grant awards of restricted stock on an annual basis on or about March 22<sup>nd</sup>, the anniversary date of our initial public offering. The Company does not time, or plan to time, its release of material nonpublic information for the purpose of affecting the value of executive compensation. The Compensation Committee, in determining the amount of restricted stock that was awarded in March 2015, took into account the same factors that were taken into account in determining the annual cash bonuses for the 2014 fiscal year discussed in last year's proxy statement (namely, growth in the number of private client banking groups, deposit growth, asset growth, return on assets, return on equity, earnings per share, comparison of actual performance against budget, net income, loan growth and efficiency ratio; as well as qualitative criteria tailored to the named executive officer's position; reputation and ratings of the Company; maintaining the business philosophy and culture of the Company; and continued development and adherence to appropriate and prudent business strategy and decision making with regard to acquisition of securities, credit determinations, problem resolution and identifying private client banking groups, among others). The total amounts of restricted stock awarded are set forth in the Grants of Plan-Based Awards Table and reported in the Summary Compensation Table.

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

**Severance and Change of Control Arrangements.** Our Change of Control Severance Plan for Key Corporate Employees is designed to assure the Company of the continued employment and attention and dedication to duty of certain of its key management employees and to seek to ensure the availability of their continued service, notwithstanding the possibility or occurrence of a change of control of the Company. These arrangements include a "gross up" provision to the extent amounts due under the plan are more than 10% greater than the level that would avoid triggering excise taxes pursuant to Section 280G and Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"). Messrs. DePaolo and Shay have additional arrangements under their employment agreement and chairman agreement, respectively, each as described under "Potential Post-Employment Payments Upon Termination or Change of Control" below. The gross up provisions are limited to existing arrangements that have been in place since the Company's initial public offering, and the Company's policy is not to provide any tax "gross up" provisions in any new contracts or arrangements, or extend such provisions to any new participants under existing arrangements. The amount of severance under Messrs. DePaolo's and Shay's agreements, and the multiples applicable to severance pay under the Change of Control Severance Plan for Key Corporate Employees is an amount the Company has determined is necessary to remain competitive in the marketplace for executive talent.

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

Scott Shay, Chairman of the Board:	5x base salary
Joseph J. DePaolo, President & CEO:	5x base salary
All other members of the senior management team:	3x base salary



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

## Summary Compensation Table

The following table sets forth the cash and non-cash compensation paid by or incurred on behalf of Signature Bank during the years ended December 31, 2013, December 31, 2014 and December 31, 2015 to its named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Non-Equity Incentive Plan (\$)	Stock Awards \$( <sup>1</sup> )	Option Awards (\$)	All Other Compensation \$( <sup>2</sup> )	Total (\$)
Joseph J. DePaolo, . . . . President and CEO	2015	750,000	—	3,000,000	4,433,940	—	33,668	8,217,608
	2014	643,436	—	2,550,000	4,433,814	—	30,544	7,657,794
	2013	624,695	—	2,250,000	2,709,284	—	27,330	5,611,309
Scott A. Shay, . . . . . Chairman of the Board	2015	548,278	—	1,310,000	3,547,126	—	17,590	5,422,994
	2014	532,309	—	1,125,000	3,547,051	—	14,290	5,218,650
	2013	516,805	—	1,000,000	2,167,427	—	14,040	3,698,272
Eric Howell . . . . . Executive Vice President Corporate & Business Development	2015	379,723	—	630,000	2,956,003	—	16,725	3,982,451
	2014	368,663	—	562,500	2,955,876	—	13,307	3,900,346
	2013	357,925	—	500,000	1,806,189	—	13,056	2,677,170
John Tamberlane, . . . . . Vice-Chairman	2015	410,595	—	630,000	2,956,003	—	20,935	4,017,533
	2014	398,636	—	562,500	2,955,876	—	19,242	3,936,254
	2013	387,025	—	500,000	1,806,189	—	18,987	2,712,201
Vito Susca, . . . . . Senior Vice President and CFO	2015	300,000	—	325,000	1,168,740	—	16,726	1,810,466
	2014	285,000	—	250,000	1,023,680	—	13,458	1,572,138
	2013	250,000	—	200,000	135,034	329,340	12,669	927,043

- (1) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. Refer to Note 2(q) — Stock-Based Compensation to our consolidated financial statements in our Annual Report on Form 10-K filed with the FDIC for fiscal year ended December 31, 2015 for our accounting policy related to stock-based compensation for a discussion of assumptions used in the valuation of this column.
- (2) Amounts in this column represent Company matching contributions to our 401(k) plan, Company contributions to each employee HSA account, and payment of taxes on behalf of the executive officers for certain payments under disability and life insurance plans and imputed income on the taxable portion of group term life insurance and bank owned life insurance. For each executive officer, the Company 401(k) matching contribution was \$13,250. For each executive officer, the Company HSA contribution was: Mr. DePaolo — \$3,000, Mr. Shay — \$3,000, Mr. Susca — \$3,000, Mr. Howell — \$3,000 and Mr. Tamberlane — \$1,200. For each executive officer, the amount of such tax payments was: Mr. DePaolo — \$17,418; Mr. Shay — \$1,340; Mr. Tamberlane — \$6,485; Mr. Susca — \$476 and Mr. Howell \$475.

## Grants of Plan-Based Awards in 2015 Fiscal Year

The following table presents information with respect to each award made to our named executive officers under (i) our 2004 Equity Plan in 2015, and (ii) in accordance with the terms of each of our CEO's and Executive Chairman's employment agreements. No stock options were granted to our named executive officers during 2015.

Name	Grant Date	Corporate Action Date <sup>(1)</sup>	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards Maximum (\$) <sup>(2)</sup>	All Other Stock Awards: Number of Shares of Stock (#) <sup>(3)</sup>	Fair Value of Stock Awards (\$) <sup>(4)</sup>
Joseph J. DePaolo . . . . .	03/23/2015	01/28/2015	5,000,000	34,144	4,433,940
Scott A. Shay . . . . .	03/23/2015	01/28/2015	5,000,000	27,315	3,547,126
John Tamberlane . . . . .	03/23/2015	01/28/2015	4,927,140	22,763	2,956,003
Vito Susca . . . . .	03/23/2015	01/28/2015	3,600,000	9,000	1,168,740
Eric Howell . . . . .	03/23/2015	01/28/2015	4,556,676	22,763	2,956,003

- (1) Represents the date of the Compensation Committee meeting at which the specified grants of equity-based compensation were approved.
- (2) Represents the maximum payout under our annual cash bonus plan, which has no specific threshold or target payout levels, as described in the "Annual Cash Bonus" section of the Compensation Discussion and Analysis, above.
- (3) All restricted shares granted on March 23, 2015 vest equally over four years beginning on March 22, 2016.
- (4) The March 23, 2015 grant date fair value is calculated as the number of shares granted multiplied by the closing price of our common stock on March 23, 2015 (\$129.86).

### Employment Agreements

The only named executive officers who are currently party to an employment agreement are our CEO 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 CEO for a three-year period (with automatic one-year renewals unless either party gives 90 days' prior written notice of its intent to terminate the agreement) or until we terminate his employment or he resigns. The agreement provides Mr. DePaolo with a base salary that may be adjusted annually at the Board's discretion (such base salary was \$750,000 in 2015), an annual bonus subject to meeting certain performance-based criteria to be determined from time-to-time by the Board, participation in our 2004 Equity Plan, and eligibility for our employee benefit plans and other benefits provided in the same manner and to the same extent as to our other executive employees. Mr. DePaolo's employment agreement also contains confidentiality provisions and a covenant not to solicit employees or clients during his employment term and for a period of one year thereafter.

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

#### *Chairman Agreement with Scott A. Shay*

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

The agreement provides that Mr. Shay will receive a base fee that may be adjusted annually at the Board's discretion (such base fee was \$548,278 in 2015), an annual bonus of 50% of the rate in effect for the CEO (however, the Executive Chairman waived this provision beginning with his bonus for fiscal 2013), subject to meeting certain performance-based criteria to be determined from time-to-time by the Board, participation in our 2004 Equity Plan, and eligibility for our employee benefit plans and other benefits provided in the same manner and to the same extent as to our other executive employees. Mr. Shay's chairman agreement also contains confidentiality provisions and a covenant not to solicit employees or clients during the term of his agreement and for a period of one year thereafter.

### **Outstanding Equity Awards at 2015 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, 2015. The Company has not granted any performance-based equity awards.

<b>Name</b>	<b>Number of Shares of Stock That Have Not Vested (#)</b>	<b>Market Value of Shares of Stock That Have Not Vested (\$)<sup>(1)</sup></b>
Joseph J. DePaolo . . . . .	126,825	19,451,150
Scott A. Shay . . . . .	96,034	14,728,735
John Tamberlane . . . . .	80,029	12,274,048
Vito Susca . . . . .	15,575	2,388,738
Eric Howell . . . . .	89,075	13,661,433

(1) Market value is based on the \$153.37 closing price of our common stock on the NASDAQ Global Select Market at December 31, 2015.

**Restricted Shares**

<b>Name</b>	<b>Grant Date</b>	<b>Number of Shares or Units of Stock That Have Not Vested (#)</b>	<b>Vesting Period</b>	<b>Final Vesting Date</b>
Joseph J. DePaolo . . . . .	4/17/2008	40,708	Equally – 5 Years <sup>(1)</sup>	4/17/2018
	3/22/2012	8,662	Equally – 4 Years <sup>(2)</sup>	3/22/2016
	3/22/2013	17,324	Equally – 4 Years <sup>(3)</sup>	3/22/2017
	3/24/2014	25,987	Equally – 4 Years <sup>(4)</sup>	3/22/2018
	3/23/2015	34,144	Equally – 4 Years <sup>(5)</sup>	3/22/2019
Scott A. Shay . . . . .	4/17/2008	27,138	Equally – 5 Years <sup>(1)</sup>	4/17/2018
	3/22/2012	6,930	Equally – 4 Years <sup>(2)</sup>	3/22/2016
	3/22/2013	13,860	Equally – 4 Years <sup>(3)</sup>	3/22/2017
	3/24/2014	20,790	Equally – 4 Years <sup>(4)</sup>	3/22/2018
	3/23/2015	27,316	Equally – 4 Years <sup>(5)</sup>	3/22/2019
John Tamberlane . . . . .	4/17/2008	22,616	Equally – 5 Years <sup>(1)</sup>	4/17/2018
	3/22/2012	5,775	Equally – 4 Years <sup>(2)</sup>	3/22/2016
	3/22/2013	11,550	Equally – 4 Years <sup>(3)</sup>	3/22/2017
	3/24/2014	17,325	Equally – 4 Years <sup>(4)</sup>	3/22/2018
	3/23/2015	22,763	Equally – 4 Years <sup>(5)</sup>	3/22/2019
Vito Susca . . . . .	3/22/2013	575	Equally – 3 Years <sup>(6)</sup>	3/22/2016
	3/24/2014	6,000	Equally – 4 Years <sup>(4)</sup>	3/22/2018
	3/23/2015	9,000	Equally – 4 Years <sup>(5)</sup>	3/22/2019
Eric Howell . . . . .	4/17/2008	31,662	Equally – 5 Years <sup>(1)</sup>	4/17/2018
	3/22/2012	5,775	Equally – 4 Years <sup>(2)</sup>	3/22/2016
	3/22/2013	11,550	Equally – 4 Years <sup>(3)</sup>	3/22/2017
	3/24/2014	17,325	Equally – 4 Years <sup>(4)</sup>	3/22/2018
	3/23/2015	22,763	Equally – 4 Years <sup>(5)</sup>	3/22/2019

- (1) Award vests equally over five years, commencing on the sixth anniversary of grant.
- (2) Award vests equally over four years on March 22, 2013, March 24, 2014, March 23, 2015, and March 22, 2016. The shares originally scheduled to vest on March 22, 2013 vested on December 10, 2012.
- (3) Award vests equally over four years on March 24, 2014, March 23, 2015, March 22, 2016, and March 22, 2017.
- (4) Award vests equally over four years on March 23, 2015, March 22, 2016, March 22, 2017, and March 22, 2018.
- (5) Award vests equally over four years on March 22, 2016, March 22, 2017, March 22, 2018 and March 22, 2019.
- (6) Award vests equally over three years on March 24, 2014, March 23, 2015, and March 22, 2016.

## Option Exercises and Stock Vested During 2015 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 2015.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Joseph J. DePaolo	—	—	47,952	6,214,087
Scott A. Shay	—	—	36,967	4,792,025
Eric Howell	—	—	33,518	4,342,568
John Tamberlane	—	—	30,373	3,937,038
Vito Susca	—	—	3,179	412,825

### Potential Post-Employment Payments Upon Termination or Change in Control

#### Termination Payments

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

#### *Joseph J. DePaolo*

Mr. DePaolo's employment agreement provides that, regardless of the reason for termination of his employment, he will be entitled to any earned but unpaid base salary and vacation time, any outstanding reasonable business expense incurred by him, continued insurance benefits to the extent required by law, and vested benefits as required by the terms of any employee benefit plan or program. If termination occurs due to the death or "disability" of Mr. DePaolo, he will also be entitled to receive any accrued but unpaid bonuses for completed fiscal years. If we voluntarily terminate his employment for any reason other than "cause" or if he terminates his employment for "good reason," Mr. DePaolo or his estate will be entitled to both accrued but unpaid bonuses for completed fiscal years and an immediate lump sum severance payment equal to the product of the greater of (x) the amount of base salary that Mr. DePaolo would have received had he remained employed through the scheduled conclusion of the employment period, or (y) two times his annual base salary, plus a pro-rata bonus for the year of termination based on the average of his bonuses for the prior two fiscal years. Upon termination of employment for any reason other than by us for "cause", Mr. DePaolo will also be entitled to continued medical coverage (both for himself and his dependents) until he reaches age 65 or, if earlier, he becomes eligible for comparable coverage under another employer's health plans.

#### *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 Executive Chairman through the scheduled conclusion of his term, or (y) two times his annual base fees, plus a pro-rata bonus for the year of termination based on the average of his bonuses for the prior two fiscal years.

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

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

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

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

The following table sets forth arrangements that provide for payments to each of Messrs. DePaolo and Shay in connection with termination of his employment by the Company without cause, termination of his employment by him for good reason, termination of his employment upon his death or termination of his employment by reason of his disability, assuming for such purposes that such termination took place on December 31, 2015 and there was no change of control of the Company.

Name	Benefit	Amount Payable for Termination Without Cause or for Good Reason (\$)	Amount Payable by Reason of Death or Disability (\$) <sup>(1)</sup>
Joseph J. DePaolo . . . . .	Cash Severance	4,275,000	3,000,000
	Continued Welfare Benefits	362,499	—
Scott A. Shay . . . . .	Cash Severance	2,314,056	1,310,000

(1) Amounts in this column represent annual cash bonus pro-rated through the assumed December 31, 2015 date of termination.

**Effect of a Change of Control in the Absence of a Termination of Employment**

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

The following table sets forth the value of all restricted shares held by each named executive officer that would have become vested if a change of control of the Company occurred on December 31, 2015, calculated based on the closing price of our common stock on the NASDAQ Global Select Market on such date, which was \$153.37.

Name	Value of Equity Vesting in Connection with a Change of Control (\$)	Gross-Up on Equity Acceleration (\$)
Joseph J. DePaolo . . . . .	19,451,150	N/A
Scott A. Shay . . . . .	14,728,735	N/A
John Tamberlane . . . . .	12,274,048	7,125,019
Vito Susca . . . . .	2,388,738	1,291,693
Eric Howell . . . . .	13,661,433	7,964,301

### **Change of Control Termination**

#### *Change of Control Severance Plan*

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

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

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

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

Upon such termination, the named executive officer will receive a lump sum cash payment equal to (i) the executive’s accrued but unpaid base salary through the date of termination; (ii) a pro rata bonus for the year in which the termination occurs based on the greater of the executive’s highest bonus earned in the last three full fiscal years and the executive’s annual bonus for the most recently completed fiscal year less any previously paid bonus for such fiscal year plus any accrued vacation pay; (iii) an amount equal to two times 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 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 (until age 65, in the case of Mr. DePaolo



per his employment agreement) (or until the executive becomes eligible for comparable coverage under another employer's health plans, if earlier).

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

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

The following table sets forth amounts and benefits that would be payable to our named executive officers under our Change of Control Severance Plan for Key Corporate Employees in connection with the termination of their employment by the Company without cause, or termination of their employment by them for good reason, assuming for such purposes that a change of control and such termination both took place on December 31, 2015.

Name	Benefit	Amount Payable for Termination Without Cause or for Good Reason (\$)
Joseph J. DePaolo	Cash Severance	21,128,541
	Continued Welfare Benefits	362,499
	Excise Tax Gross Up <sup>(1)</sup>	23,318,008
Scott A. Shay	Cash Severance	13,529,389
	Continued Welfare Benefits	64,841
	Excise Tax Gross Up <sup>(1)</sup>	18,205,300
John Tamberlane	Cash Severance	9,796,884
	Continued Welfare Benefits	22,893
	Excise Tax Gross Up <sup>(1)</sup>	14,865,179
Vito Susca	Cash Severance	4,335,660
	Continued Welfare Benefits	55,581
	Excise Tax Gross Up <sup>(1)</sup>	4,278,312
Eric Howell	Cash Severance	9,735,140
	Continued Welfare Benefits	64,841
	Excise Tax Gross Up <sup>(1)</sup>	14,649,832

(1) This gross up amount is based on the cash severance and continued welfare benefits shown in the table above and the value of the vesting of all unvested restricted shares held by the named executive officer on December 31, 2015. Calculations to estimate the excise tax due under the Internal Revenue Code and the related gross-up are complex and require a number of assumptions. This gross-up is calculated based on the assumption that the 280G excise tax rate is 20%, the cumulative rate for other taxes, including federal, state, and local income taxes, applicable for each affected executive officer ranges from 50.78% to 54.66%, that all shares subject to outstanding equity awards are treated as accelerated upon a change in control and included in the gross-up calculation in full, and the equity awards were valued at the closing price of our common stock on December 31, 2015 (\$153.37). This calculation is an estimate for proxy disclosure only.

## COMPENSATION OF DIRECTORS

The following table sets forth information with respect to the compensation of non-employee directors of the Company in respect of fiscal year 2015.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards <sup>(1)(2)(3)</sup> (\$)	Total (\$)
Alfonse M. D'Amato . . . . .	52,137	324,650	376,787
Kathryn A. Byrne . . . . .	52,667	324,650	377,317
Alfred B. DelBello <sup>(4)</sup> . . . . .	22,333	324,650	346,983
Barney Frank <sup>(4)</sup> . . . . .	26,000	—	26,000
Judith A. Huntington . . . . .	55,000	324,650	379,650
Jeffrey W. Meshel . . . . .	55,000	324,650	379,650
Michael V. Pappagallo <sup>(5)</sup> . . . . .	67,500	324,650	392,150

- (1) On March 23, 2015, each non-employee director, with the exception of Barney Frank, was granted 2,500 restricted shares of common stock, which will fully vest on March 22, 2016. On June 17, 2015, Mr. Frank was granted 1,913 restricted shares of common stock which will fully vest on March 22, 2016. The amounts in this column represent the aggregate grant date fair value of each of these restricted share awards computed in accordance with FASB ASC Topic 718.
- (2) There were no option grants made in 2015.
- (3) Refer to Note 2(q) — Stock-Based Compensation to our consolidated financial statements in our Annual Report on Form 10-K filed with the FDIC for the fiscal year ended December 31, 2015 for a discussion of the assumptions used in determining aggregate grant date fair value of stock awards.
- (4) On June 17, 2015, Mr. Frank filled the vacancy on the Board created by the passing of Mr. DelBello on May 15, 2015.
- (5) Mr. Pappagallo's term as director will end at our annual meeting on April 21, 2016.

Directors receive an annual fee of \$26,000, payable \$6,500 per quarter, an additional fee of \$1,500 for each Board meeting they attend (\$500 if they attend telephonically), and an additional fee of \$1,000 for each committee meeting they attend. The Chair of the Examining Committee receives an annual fee of \$12,500, and an annual fee of \$7,500 is paid to the Chair of each of the Compensation Committee and the Nominating Committee. Additionally, each independent director who serves on the Credit Committee receives an annual special director's fee of \$5,000, payable in full at the end of the first quarter of each year. The Lead Independent Director receives an annual fee of \$10,000. This payment shall be in addition to any Board of Directors, Committee or Committee Chair fees such director is entitled to receive. Directors are reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board and its committees. In addition, each non-employee director, with the exception of Barney Frank, received, on March 23, 2015, a grant of 2,500 restricted shares of common stock for services as a director in 2015 – 2016. Mr. Frank received, on June 17, 2015, a grant of 1,913 restricted shares of common stock for services as a director in 2015 – 2016. The shares of common stock awarded in 2015 will fully vest on March 22, 2016.

## 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, 2015. The 2015 members of the Compensation Committee are three non-executive members of our Board of Directors: Alfonse M. D'Amato, Judith A. Huntington and Jeffrey W. Meshel. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis portion of this Proxy Statement with management, and recommended to the Board of Directors that it be included in the Company's Annual Report on Form 10-K and the Company's Proxy Statement.

### COMPENSATION COMMITTEE

Alfonse M. D'Amato (Chair)  
Judith A. Huntington  
Jeffrey W. Meshel

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

## REPORT OF THE EXAMINING COMMITTEE

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

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

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

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

The Examining Committee met nine times during 2015. 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. There is a limit of five years on the term of the chair 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 2015, management advised the Examining Committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles, and reviewed significant accounting and disclosure issues with the Examining Committee. These reviews included discussion with the external independent registered public accounting firm of matters required to be discussed pursuant to *Public Company Accounting Oversight Board Auditing Standard No. 16 (Communications with Audit Committees)*, including the quality of the Company's accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Examining Committee also discussed with KPMG LLP matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and letter from KPMG LLP to the Examining Committee pursuant to Independence Standards Board Standard No. 1 (*Independence Discussions with Audit Committees*).

Taking all of these reviews and discussions into account, the Examining Committee recommended to the Board of Directors that the Board of Directors approve the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, for filing with the FDIC.

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

EXAMINING COMMITTEE

Judith A. Huntington (Chair)  
Kathryn A. Byrne  
Michael V. Pappagallo

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

## REPORT OF THE RISK COMMITTEE

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

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

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

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

The Risk Committee met six times during 2015. The Risk Committee occasionally requests that an officer or employee of the Bank, or special counsel or advisor, attend a meeting of the Risk Committee or meet with any members of, or consultant to, the Risk Committee. The Bank's Chief Auditor is a permanent invitee to all meetings.

### RISK COMMITTEE

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

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

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### Procedures for Approval of Transactions with Related Persons

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

### Loans to Related Persons

During 2015, we had several outstanding loans or other extensions of credit to related parties, each of which was made in the ordinary course of business, of a type that we generally make available to the public, and on market terms, or terms that are no more favorable than those that we offer to the general public for such extensions of credit. Our loans to related parties are summarized as follows:

- We have made a loan to Mr. Tamberlane that was outstanding as of December 31, 2015, in an aggregate principal amount of \$100,000.
- We have made a mortgage loan to 65 Day Road, LLC, of which Mr. Pappagallo is manager and a partial owner. The balance of this loan was \$206,950 as of December 31, 2015.
- Mr. D'Amato has guaranteed a one-year variable rate term loan made by us to a third party. The balance of the loan was \$500,000 as of December 31, 2015.

## 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, Barney Frank, Judith A. Huntington, Jeffrey W. Meshel, Michael V. Pappagallo and Derrick D. Cephas are "independent directors" as defined in the NASDAQ Marketplace Rules. One mandate of the Sarbanes-Oxley Act of 2002 (subsequently clarified by regulations issued by the SEC and the NYSE) is that independent directors on the board of a U.S. public company meet not only as part of the full board but also separately and apart from management and non-independent directors. The Board of Directors determined that it was advisable that a "Lead Independent Director" be appointed to chair such meetings of independent directors as well as to foster greater transparency and accountability among senior leadership. A majority of Fortune 500 corporations have lead independent directors. The Board appointed Kathryn A. Byrne as Lead Independent Director on June 17, 2015.

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

During 2015, our Board of Directors had nine directors and four Board of Directors committees: the Risk Committee, the Examining Committee, the Compensation Committee and the Nominating Committee. The membership during the last fiscal year and the function of each of the committees are described below. Each of the committees operates under a written charter adopted by the Board of Directors. The committee charters are available on the Company's website ([www.signatureny.com](http://www.signatureny.com)) under "Investor Relations." During 2015, the Board of Directors held 10 meetings. During this period, all of the directors attended or participated in more than 80% of the aggregate of the total meetings held of the Board of Directors and the total number of meetings held by all committees of the Board of Directors. Directors are encouraged to attend annual meetings of Signature Bank shareholders. All of our directors attended our 2015 annual meeting of shareholders except for Barney Frank, who did not join our Board until June 17, 2015. Additionally, Alfred B. DelBello (whom Mr. Frank replaced on the Board) was absent from the morning session of our 2015 annual meeting due to illness.

### *Board Leadership*

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

### *Risk Oversight*

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

### *Risk Committee*

The Risk Committee's duties and responsibilities are set forth in the charter of the Risk Committee and include the development and articulation of the risk and risk appetite within the Bank, the enhancement of means of identifying, qualifying, quantifying, measuring and monitoring key risk indicators ("KRIs") or dashboards for each major risk sector, the education of management and employees about their responsibilities to manage risks and the review of key management, systems, processes and decisions so as to build risk assessment data into critical business systems. Among other responsibilities, the Risk Committee reviews significant financial and other risk exposures and the steps management has taken to monitor, control and



report such exposures, including, but not limited to, credit, interest rate, market, liquidity, operational, fraud, technology, data security and business continuity risks; evaluates key risk exposure and tolerance; reviews and evaluates the Bank's policies and practices with respect to risk assessment and risk management; reviews reports and significant findings of the Risk Management and Internal Audit Departments with respect to the risk management activities of the Bank together with management's responses and follow up to these reports; reviews significant reports from regulatory agencies and any new industry guidance related to risk exposures; reviews the scope of the Risk Management group and its planned activities with respect to the risk management review of the Bank; reviews the Bank's technology risk management, including, among other things, business continuity planning and data security; and reports periodically and escalates issues of primary significance to the Board of Directors. The functions of the Risk Committee are further described in the Proxy Statement under "Report of Risk Committee." The Risk Committee held six meetings in 2015. The members of the Risk Committee are Scott A. Shay (Chair), Joseph J. DePaolo, Barney Frank, Judith A. Huntington, Michael V. Pappagallo and John Tamberlane. The Risk Committee must consist of at least one independent director and will include members of the Bank's management, including the Director of Risk Management, the Chief Operating Officer, the Chief Credit Officer, the Chief Financial Officer, and the Chief Technology Officer. The Bank's Chief Auditor is a permanent invitee to all meetings. Mr. Shay has been the chair of the Risk Committee since its inception. The charter of the Risk Committee is available on the Company's website ([www.signatureny.com](http://www.signatureny.com)) under "Investor Relations."

#### *Examining Committee*

The Examining Committee's duties and responsibilities are set forth in the charter of the Examining Committee and include the general oversight of the integrity of Signature Bank's financial statements, Signature Bank's compliance with legal and regulatory requirements, the independent registered public accounting firms' qualifications and independence, the performance of Signature Bank's internal audit function and registered public accounting firms, and risk assessment and risk management. Among other responsibilities, the Examining Committee prepares the Examining Committee report for inclusion in the annual proxy statement; annually reviews the Examining Committee charter and the Committee's performance; reviews and approves any material related party transactions; appoints, evaluates and determines the compensation of Signature Bank's registered public accounting firm; reviews and approves the scope of the annual audit, the audit fee and the financial statements; reviews Signature Bank's disclosure controls and procedures, internal controls, and information security policies; reviews internal audit function; and reviews corporate policies with respect to financial information and earnings guidance; oversees investigations into complaints concerning financial matters; and reviews other risks that may have a significant impact on Signature Bank's financial statements. The Examining Committee works closely with management as well as Signature Bank's registered public accounting firm. The Examining Committee has the authority to obtain advice and assistance from, and receive appropriate funding from Signature Bank for, outside legal, accounting or other advisors as the Examining Committee deems necessary to carry out its duties. In fulfilling its duties and responsibilities, the Examining Committee may reasonably rely on the information and representations it receives from professionals, experts and persons within the Company. The functions of the Examining Committee are further described in this Proxy Statement under "Report of Examining Committee." The Examining Committee held nine meetings in 2015. The members of the Examining Committee are Judith A. Huntington (Chair), Kathryn A. Byrne and Michael V. Pappagallo. The Board of Directors has determined that Kathryn A. Byrne, Judith A. Huntington and Michael V. Pappagallo are each independent as such term is defined by the NASDAQ Marketplace Rules and are each "financial experts" under the SEC rules. There is a limit of five years on the term of the Chair of the Examining Committee. Judith A. Huntington became Chair of the Examining Committee on February 17, 2016. 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 Compensation Committee consists of at least three of the Company's non-employee directors, any of whom may be removed at any time by action of the Board. The Chair is designated by the Board and the Committee must have at least two meetings per year. The Compensation Committee met two times in 2015. There is a limit of five years on the term of the Chair. The members of the Compensation Committee are Alfonse M. D'Amato (Chair), Judith A. Huntington and Jeffrey W. Meshel. Alfonse M. D'Amato became Chair of the Compensation Committee on June 17, 2015. The scope of authority of the Compensation Committee includes the power to:

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

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

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

### ***Executive Compensation Risk Assessment***

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

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

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

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

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

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

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

**Restricted Stock.** The Compensation Committee granted a substantial amount of the senior executive officers' total compensation as non-cash incentive compensation in the form of restricted stock awards. Our annual restricted stock awards granted to our senior executive officers were 100% service-based, vesting in equal annual installments over either a three-year or four-year period (as further described in "Elements of Compensation for 2015 and Why We Chose to Pay Each Element — Restricted Stock Awards"); vesting was not tied to Company or individual performance. We have not granted performance-based equity awards at any time, including in 2011, 2012, 2013, 2014 or 2015. We also made a special restricted stock grant in April 2008 that did not begin to vest until the sixth anniversary of the grant date in order to underscore our commitment to long-term decision-making and growth.

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

**Updates.** This review was updated in 2011, 2012, 2013, 2014 and again in 2015, taking into account that the various rules and restrictions that applied under the U.S. Treasury's Capital Purchase Program no longer applied to the Company, and reflecting new rules promulgated by the Securities and Exchange Commission and inter-agency guidance from the Federal Banking Regulators relating to assessing the extent to which the Company's compensation plans and programs for its employees encouraged excessive and unnecessary risk-taking behavior. Thus, the update encompassed a comprehensive review of our compensation policies and practices for all employees, including our executive officers, as they relate to risk management practices and risk-taking incentives. Our senior risk official prepared a detailed written report setting out the terms of compensation policies and practices for the following employee groups: senior executive officers, operations employees, employees in our private client banking groups, investment group directors, employees on our fixed income desk, and our SBA group. The report was presented to the Compensation Committee at a meeting in January.

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

#### *Nominating Committee*

The Nominating Committee's duties and responsibilities are set forth in the charter of the Nominating Committee and include identifying individuals qualified to become members of the Board of Directors, consistent with the criteria set forth below under "Consideration of Director Nominees — Identifying and Evaluating Nominees for Directors" and "Consideration of Director Nominees — Director Qualifications," and overseeing the organization of the Board of Directors to discharge the Board of Directors' duties and responsibilities properly and efficiently. Other specific duties and responsibilities of the Nominating Committee include annually assessing the size and composition of the Board of Directors; developing membership qualifications for Board of Directors' committees; defining specific criteria for director independence; annually reviewing and recommending directors for continued service; coordinating and assisting management and the Board of Directors in recruiting new members and conducting periodic reviews of the independence of the members of the Board of Directors and its committees and the financial literacy and expertise of Examining Committee members. During 2015, the members of the Nominating Committee were Alfonse M. D'Amato (Chair) and Kathryn A. Byrne and the Nominating Committee held one meeting. The charter of the Nominating Committee is available on the Company's website ([www.signatureny.com](http://www.signatureny.com)) under "Investor Relations."

## Consideration of Director Nominees

### *Shareholder Nominees*

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

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

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

### *Identifying and Evaluating Nominees for Directors*

The Nominating Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Nominating Committee from time to time assesses the appropriate size of the Board of Directors, and whether any vacancies on the Board of Directors are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominating Committee considers various potential candidates for director. Candidates may come to the attention of the Nominating Committee through current Board of Directors’ members, professional search firms, shareholders or other persons. These candidates are evaluated at meetings of the Board of Directors and may be considered at any point during the year. As described above, the Nominating Committee considers properly submitted shareholder nominations as candidates for the Board of Directors. Following verification of the shareholder status of persons proposing candidates, properly submitted recommendations will be aggregated and considered by the Nominating Committee at a meeting prior to the issuance of the proxy statement for Signature Bank’s annual meeting. If any materials are provided by a shareholder in connection with the nomination of a director candidate, such materials will be forwarded to the Nominating Committee. The Nominating Committee also reviews materials provided by professional search firms or others in connection with a nominee who is not proposed by a shareholder. In evaluating such nominations, the Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the Board of Directors.

### *Director Qualifications*

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

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

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

### Communications with the Board of Directors

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

### Codes of Ethics

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

These codes are available on our website ([www.signatureny.com](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.

### 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, 2015.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights <sup>(2)</sup> (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders <sup>(1)</sup> . . . . .	986,569	—	1,887,772
Equity compensation plans not approved by security holders . . . . .	—	—	—
Total . . . . .	986,569	—	1,887,772

(1) Shares indicated are total grants under the 2004 Equity Plan.

(2) Column (a) represents shares of Common Stock underlying outstanding awards of restricted stock. Because there is no exercise price associated with restricted stock, such equity awards are not included in the weighted-average exercise price calculation in column (b).

## RATIFICATION OF INDEPENDENT AUDITORS

### (PROPOSAL NO. 2)

The Examining Committee has selected the firm of KPMG LLP, an independent registered public accounting firm, as our independent auditors for the year ending December 31, 2016. KPMG LLP has audited our financial statements since our inception, and is in compliance with the requirements of the Sarbanes-Oxley Act of 2002 and applicable rules adopted by the SEC regarding mandatory audit partner rotation.

A representative of KPMG LLP will be present at the 2016 Annual Meeting, will be offered the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions. In the event the appointment is not ratified, the Examining Committee will consider the appointment of another independent auditor.

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

### PRINCIPAL AUDITOR FEES AND SERVICES

The Examining Committee, Signature Bank’s audit committee, has appointed KPMG LLP as Signature Bank’s independent auditors for the fiscal year ending December 31, 2016.

#### Fees Incurred by Signature Bank for KPMG LLP

The following table shows the fees billed to Signature Bank for the audit and other services provided by KPMG LLP for fiscal 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Audit Fees <sup>(1)</sup> . . . . .	\$950,000	\$ 875,000
Audit-Related Fees . . . . .	41,000	34,000
Tax Fees . . . . .	—	—
All Other Fees <sup>(2)</sup> . . . . .	—	275,000
Total . . . . .	<u>\$991,000</u>	<u>\$1,184,000</u>

- (1) Audit fees represent fees for professional services provided in connection with the audit of our annual financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.
- (2) All other fees represent fees for professional services provided in connection with our June 2014 common stock offering.

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

## ADVISORY VOTE ON EXECUTIVE COMPENSATION

### (PROPOSAL NO. 3)

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

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

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

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



## OTHER MATTERS

### Other Matters

Management does not know of any other matters to be considered at the 2016 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, 2015, including the financial statements included therein, as filed with the FDIC on or about February 29, 2016.

### 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 request by any shareholder. The charters of our Compensation, Nominating, Risk and Examining Committees are also available on our website under "*Investor Relations*." In addition, Signature Bank will furnish copies of its annual report on Form 10-K and any exhibits thereto upon written request to Investor Relations, Signature Bank, 565 Fifth Avenue, New York, NY 10017.

### Stockholders Sharing the Same Address; Householding

In accordance with notices to many stockholders who hold their shares through a bank, broker or other holder of record (a "street-name stockholder") and share a single address, only one annual report and proxy statement is being delivered to that address unless contrary instructions from any stockholder at that address were received. This practice, known as "householding," is intended to reduce the Company's printing and postage costs. However, any such street-name stockholder residing at the same address who wishes to receive a separate copy of this Proxy Statement or accompanying Signature Bank 2015 Annual Report to Stockholders may request a copy by contacting the bank, broker or other holder of record, or the Company by telephone at 646-822-1500, by email to [investorrelations@signatureny.com](mailto:investorrelations@signatureny.com) or by mail to Investor Relations, Signature Bank, 565 Fifth Avenue, New York, NY 10017. Additionally, this Proxy Statement and our Annual Report on Form 10-K are available on the internet free of charge at [www.signatureny.com](http://www.signatureny.com) under "*Investor Relations*." The voting instruction sent to a street-name stockholder should provide information on how to request (1) householding of future Company materials or (2) separate materials if only one set of documents is being sent to a household. If it does not, a stockholder who would like to make one of these requests should contact the Company as indicated above.

### Shareholder Proposals

We anticipate that the 2017 Annual Meeting of Shareholders (the "2017 Annual Meeting") will be held in the first four months of 2017. Any shareholder who intends to present a proposal at the 2017 Annual Meeting, and who wishes to have such proposal included in Signature Bank's Proxy Statement for the 2017 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 2017 Annual Meeting must be received by November 20, 2016. Under our By-laws, shareholder nominees or other proper business proposals must be made by timely written notice given by or on behalf of a shareholder of record of the Company to the Corporate Secretary of the Company. In the case of nomination of a person for election to the Board of Directors or other business to be conducted at the annual meeting of shareholders, notice shall be considered timely if it is received not less than 90 nor more than 120 days prior to the first anniversary of the date on which the Company first mailed its proxy materials for the prior year's annual meeting of shareholders, except

in the case where the Company did not mail proxy materials in connection with the prior year's annual meeting. The notice is required to comply with each of the procedural and informational requirements set forth in our By-laws. The requirements in our By-laws are separate from, and in addition to, the requirements in Regulation 14A under the Securities Exchange Act of 1934 that a shareholder must meet in order to have a shareholder proposal included in the Company's Proxy Statement. To be considered timely under our By-laws, a proposal for business at our 2017 Annual Meeting must be received no earlier than November 21, 2016 and no later than December 21, 2016. 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

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Patricia E. O'Melia

*Corporate Secretary*



