

Federal Deposit Insurance Corporation

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Signature Bank

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

SIGNATURE BANK

To the Shareholders of Signature Bank,

Thank you for your ongoing support of and continued interest in Signature Bank. I am pleased to invite you to attend the Annual Meeting of Shareholders of Signature Bank to be held at The Roosevelt Hotel, 45 East 45th Street, New York, NY, on April 20, 2017 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 or by any of the other methods described in more detail below at any time before the proxy is voted. You may also access the Notice of Annual Meeting of Shareholders and the Proxy Statement via the Internet at www.signatureny.com under "*Investor Relations*." Please read the enclosed Notice of Annual Meeting of Shareholders and Proxy Statement so you will be informed about the business to come before the meeting.

Sincerely,

/s/ Joseph J. DePaolo

Joseph J. DePaolo

President, Chief Executive Officer and Director

SIGNATURE BANK
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 20, 2017

To the Shareholders of Signature Bank,

The Annual Meeting of the holders of common stock of Signature Bank will be held at The Roosevelt Hotel, 45 East 45th Street, New York, NY, on April 20, 2017 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, 2017;
3. To approve the amendment to the Company's Restated Organizational Certificate to implement majority voting in uncontested director elections;
4. To hold a non-binding advisory vote on the frequency of future advisory votes approving executive compensation;
5. To hold an advisory vote on executive compensation;
6. To approve the amendments (the "Equity Plan Amendments") to our Amended and Restated 2004 Long-Term Incentive Plan (the "2004 Equity Plan"); and
7. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors (or the "Board") has fixed March 1, 2017 as the record date for the Annual Meeting with respect to this solicitation. Only holders of record of Signature Bank's 54,610,419 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 10, 2017 to Signature Bank shareholders of record as of March 1, 2017.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY
MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD
ON APRIL 20, 2017**
**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"

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SIGNATURE BANK
565 Fifth Avenue
New York, NY 10017

PROXY STATEMENT

The Board of Directors of Signature Bank, “we,” “our,” “us,” the “Bank” or the “Company,” is furnishing this Proxy Statement to solicit proxies for use at Signature Bank’s Annual Meeting of Shareholders (the “2017 Annual Meeting”), to be held on April 20, 2017 at 9:00 a.m., local time, at The Roosevelt Hotel, 45 East 45th Street, New York, NY, and at any adjournment of the meeting. Each valid proxy received in time will be voted at the meeting according to the choice specified, if any. A proxy may be revoked at any time before the proxy is voted as outlined below.

ABOUT THE MEETING

What is the purpose of the annual meeting?

At our 2017 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. the approval of the amendment to the Company’s Restated Organizational Certificate to implement majority voting in uncontested director elections;
4. an advisory vote on the frequency of future advisory votes approving executive compensation;
5. an advisory vote on executive compensation;
6. the approval of the Equity Plan Amendments; and
7. 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 1, 2017, the record date for the meeting, are entitled to receive notice of and to participate in the 2017 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 2017 Annual Meeting.

Who can attend the meeting?

All shareholders as of the record date, or their duly appointed proxies, may attend the 2017 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 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 2017 (see Proposal 2);
- *for* approval of the amendment to the Company’s Restated Organizational Certificate to implement majority voting in uncontested director elections (see Proposal 3);
- *for* approval, on an advisory basis, that the frequency of future advisory votes approving executive compensation be *every year* (Proposal 4);
- *for* approval, on an advisory basis, of the compensation of our executive officers (see Proposal 5); and
- *for* approval of the Equity Plan Amendments (see Proposal 6).

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.

What vote is required to approve each item?

Election of Directors. 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 2017 Annual Meeting will be elected as directors, and any shares not voted “FOR” the election of a nominee (including any votes “WITHHELD” with respect to that nominee) will not affect whether that nominee has received the necessary votes for election to the Board of Directors, although those shares will be counted for purposes of determining whether there is a quorum present at the meeting.

Notwithstanding the foregoing, however, the Board of Directors has adopted a policy that, if a director nominee receives a greater number of votes “WITHHELD” from his or her election than votes “FOR” that director’s election, the director nominee shall promptly tender his or her resignation for consideration by a committee formed by the 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.

Other Items. The affirmative vote of a majority of the votes cast on Proposals 2, 4, 5 and 6 will be required for approval. The affirmative vote of the holders of two-thirds of all outstanding shares entitled to vote at the 2017 Annual Meeting will be required for approval of Proposal 3. For Proposals 2, 3, 5 and 6 you may vote “FOR,” “AGAINST,” OR “ABSTAIN.” For Proposal 4 you may vote “1 YEAR,” “2 YEARS,” “3 YEARS,” OR “ABSTAIN.” 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.

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 2017 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,” and will be counted in the method described under “How are broker non-votes and abstentions treated” below.

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 2017 (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), the approval of the amendment to the Restated Organizational Certificate to implement majority voting in uncontested director elections (Proposal 3), the advisory vote to approve

the frequency of future advisory votes to approve executive compensation (Proposal 4), the advisory vote on executive compensation (Proposal 5) and the approval of the Equity Plan Amendments (Proposal 6) 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, 3, 4, 5 and 6.

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. 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, 3, 4, 5 and 6. However, 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.

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

We are not aware of any business to be acted upon at the 2017 Annual Meeting, other than the items of business described in this Proxy Statement. 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 2017 Annual Meeting and publish the final results in a Current Report on Form 8-K within four business days of the 2017 Annual Meeting.

OUTSTANDING VOTING SECURITIES

The Company has fixed the close of business on March 1, 2017 as the record date for determining stockholders entitled to receive copies of this Proxy Statement. As of the record date, there were 54,610,419 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 1, 2017, information with respect to the beneficial ownership of Signature Bank’s common stock by:

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

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

<u>Name and Address of Beneficial Owner⁽¹⁾</u>	Shares of Common Stock Beneficially Owned on March 1, 2017	
	<u>Number of Shares</u>	<u>Percentage of Class</u>
BlackRock, Inc. ⁽²⁾	4,457,298	8.2%
The Vanguard Group, Inc. ⁽³⁾	4,012,900	7.4%
Capital Research Global Investors ⁽⁴⁾	2,821,559	5.1%
Scott A. Shay ⁽⁵⁾⁽⁶⁾	359,256	*
Joseph J. DePaolo ⁽⁵⁾⁽⁶⁾	198,092	*
John Tamberlane ⁽⁵⁾⁽⁶⁾	87,812	*
Mark T. Sigona ⁽⁵⁾⁽⁶⁾	113,536	*
Michael Merlo ⁽⁵⁾⁽⁶⁾	105,087	*
Michael Sharkey ⁽⁵⁾⁽⁶⁾	61,710	*
Peter S. Quinlan ⁽⁵⁾⁽⁶⁾	88,559	*
Eric R. Howell ⁽⁵⁾⁽⁶⁾	62,616	*
Vito Susca ⁽⁵⁾⁽⁶⁾	17,503	*
Kathryn A. Byrne ⁽⁵⁾⁽⁶⁾	5,000	*
Alfonse M. D’Amato ⁽⁵⁾⁽⁶⁾	14,000	*
Jeffrey W. Meshel ⁽⁵⁾⁽⁶⁾	16,364	*
Judith A. Huntington ⁽⁵⁾⁽⁶⁾	7,824	*
Barney Frank ⁽⁵⁾⁽⁶⁾	3,663	*
Derrick D. Cephas ⁽⁵⁾⁽⁶⁾	2,302	*
All current directors, nominees and executive officers as a group (15 persons) ⁽⁵⁾⁽⁶⁾	1,143,324	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, 2016, 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 52nd Street, New York, NY 10022.
- (3) Pursuant to a Schedule 13G/A filed by The Vanguard Group, Inc. for the period ended December 31, 2016, 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) Pursuant to a Schedule 13G filed by Capital Research Global Investors for the period ended December 30, 2016, Capital Research Global Investors, in its capacity as an investment advisor, may be deemed the beneficial owner of

these shares. The business address of Capital Research Global Investors is 333 South Hope Street, Los Angeles, CA 90071.

- (5) 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 1, 2017:

<u>Name</u>	Option Shares	Restricted Stock
Scott A. Shay	—	36,665
Joseph J. DePaolo	—	48,092
John Tamberlane.....	—	30,555
Mark T. Sigona	—	33,570
Michael Merlo	—	33,570
Michael Sharkey	—	24,801
Peter S. Quinlan	—	30,555
Eric R. Howell	—	33,570
Vito Susca.....	—	6,750
Kathryn A. Byrne	—	2,500
Alfonse M. D'Amato.....	—	2,500
Jeffrey W. Meshel.....	—	2,500
Judith A. Huntington	—	2,500
Barney Frank	—	2,500
Derrick D. Cephas	—	2,302

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

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 (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.

CORPORATE GOVERNANCE

Signature Bank believes in having sound corporate governance principles that support and enhance our business strategy. Having such principles is essential to our business and to maintaining our integrity in the marketplace.

As such, the Board of Directors evaluates our corporate governance practices from time to time to ensure they are in keeping with the foregoing philosophy and to determine if any changes should be made. As a result of this evaluation, the Board of Directors, in January 2017, approved the following actions:

- *Adoption of written corporate governance guidelines.* The Company's Corporate Governance Guidelines formalize certain of the Company's and the Board of Directors' existing governance policies and practices with respect to board membership; leadership; roles, procedures and practices; committees; and executive officer evaluations, compensation and succession and also address the new governance policies discussed below. These Corporate Governance Guidelines are available on the Company's website (www.signatureny.com) under "*Investor Relations*."
- *Adoption of a new preferred stock issuance policy.* Pursuant to this new policy, the Board of Directors represents that it will not, without prior shareholder approval, issue or use preferred stock for any defensive or anti-takeover purpose or for the purpose of implementing any shareholder rights plan, unless necessary in the exercise of its fiduciary duties. Within these limits, the Board of Directors may issue preferred stock for capital raising transactions, acquisitions, joint ventures or other corporate purposes notwithstanding that such actions may also have the effect of making an acquisition of the Company more difficult or costly.
- *Adoption of a new policy limiting the number of simultaneous public company directorships that a Signature Bank director may hold.* Pursuant to this new policy, no director should serve on more than two other public company boards, no member of the Examining Committee should serve on more than two other public company audit committees, and no director who is an executive officer of another public company should serve on more than one other public company board, aside from the board of his or her own company. In addition, it is the policy of the Bank that directors should advise the Chairman of the Board of Directors in advance of accepting an invitation to serve on another public company board or audit committee.

As part of this evaluation process, in addition to the above changes, the Board of Directors also considered whether the removal of certain supermajority vote requirements from the Company's Amended and Restated Bylaws (the "By-laws") and other defensive provisions, such as the Company's classified board structure, would be in the best interests of the Company's shareholders. In its discussions, the Board of Directors considered, among other things, that while broader, general U.S. investor sentiment leans towards the removal of such protections, the unique nature of the Company's business argues in favor of retaining these provisions. As a commercial bank, stability in our corporate structure and management is a key strategic imperative due to its importance in ensuring depositor security and enhancing our credit base. Sudden or excessive changeover in board membership or management would be detrimental to our business. The importance of continued stability to banks is further reflected by the fact that the New York Banking Law itself imposes limitations on our ability to remove certain of these defensive protections without approval from the Superintendent of Banks or at all. For example, the Company is subject to a requirement under NY Banking Law § 601 that mergers involving the Company be approved by two-thirds in amount of stock of the Company, and further, by a requirement under NY Banking Law § 6016 that the two-thirds supermajority approval requirement may be increased, but not decreased. In light of the importance of continued stability to our business and due to certain default law requirements, the Board of Directors determined that it would not be in the best interests of shareholders to remove certain of the Company's defensive protections, such as the supermajority vote requirements and the classified board, at this time. The Board of Directors will continue to evaluate these provisions from time to time and recommend changes as appropriate, such as it did this year in adopting the policy on preferred stock issuances described above and approving, and recommending to shareholders the approval of, the amendment to the Company's Restated Organizational Certificate to implement majority voting in uncontested director elections.

Director Independence

The Board of Directors will have a majority of directors who meet the criteria for independence required by any stock exchange on which the common stock of the Company is listed. In addition to the foregoing, Examining Committee and Compensation Committee members are subject to heightened independence requirements pursuant to the rules of the Securities and Exchange Commission and any applicable stock exchange. The Board of Directors shall determine, annually or more frequently as the Board may so desire, based on all of the relevant facts and circumstances, whether each director satisfies these criteria for independence and will disclose each of these determinations.

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, Barney Frank, Judith A. Huntington, Jeffrey W. Meshel, and Derrick D. Cephas are "independent directors" as defined in the NASDAQ Marketplace Rules.

Board of Directors' Leadership, Structure and Committee Composition

Board of Directors' 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 each is primarily responsible for managing different aspects of our company. As a result, we separate these two functions to permit each to give a significant amount of attention to the areas managed.

In order to maintain the independent integrity of the Board of Directors, if the Chairman is not independent, the Board of Directors appoints a Lead Independent Director. Currently, our Lead Independent Director is Kathryn A. Byrne. The Lead Independent Director's responsibilities include, but are not limited to:

- presiding at all meetings of the Board of Directors at which the Chairman of the Board is not present, including executive sessions of the independent directors;
- serving as a liaison between the Chairman of the Board and the independent directors;
- reviewing and approving materials to be sent to the Board of Directors;
- approving the meeting agendas for the Board of Directors;
- having the authority to call meetings of the independent directors; and
- serving on the Nominating Committee.

In addition to the foregoing, the Lead Independent Director oversees an annual evaluation of the Board of Directors and its committees to determine whether it and its committees are functioning effectively. The Lead Independent Director receives comments from all directors as to the Board of Director's and committee performance and reports annually to the Board of Directors with an assessment of such discussions and recommendations for improvements.

Board Structure and Committee Composition

During 2016, our Board of Directors had nine directors and four Board of Directors committees: the Risk Committee, the Examining Committee, the Compensation Committee and the Nominating Committee. The membership during the last fiscal year and the function of each of the committees are described below. Each of the committees operates under a written charter adopted by the Board of Directors. The committee charters are available on the Company's website (www.signatureny.com) under "Investor Relations." During 2016, 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 by the Board of Directors and the total number of meetings held by all committees of the Board of Directors. Directors are expected to attend annual meetings of Signature Bank shareholders, and all of our directors attended our 2016 annual meeting of shareholders.

Risk Oversight

The Board of Directors monitors management and assists management in evaluating all aspects of risk facing the Bank. The Board of Directors has also established a Risk Committee, which is currently comprised of Messrs. Shay, DePaolo, Frank, Cephas 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 (including cybersecurity). 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, Cephas and Meshel, and the Risk Committee receive three reports per year from our Credit Risk Director, 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 five meetings in 2016. The members of the Risk Committee are Scott A. Shay (Chair), Joseph J. DePaolo, Barney Frank, Judith A. Huntington, Derrick D. Cephas 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 Chief Risk Officer, the Chief Operating Officer, the Chief Credit Officer, the Chief Financial Officer, and the Chief Technology Officer. The Bank's Chief Auditor is a permanent invitee to all meetings. Mr. Shay has been the chair of the Risk Committee since its inception. The charter of the Risk Committee is available on the Company's website (www.signatureny.com) under "*Investor Relations*."

Examining Committee

The Examining Committee's duties and responsibilities are set forth in the charter of the Examining Committee and include the general oversight of the integrity of Signature Bank's financial statements, Signature Bank's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, the performance of Signature Bank's internal audit function and registered public accounting firm, 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 the 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 2016. The members of the Examining Committee are Judith A. Huntington (Chair), Kathryn A. Byrne and Derrick D. Cephas. The Board of Directors has determined that Kathryn A. Byrne, Judith A. Huntington and Derrick D. Cephas 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) under "Investor Relations."

Compensation Committee

The Compensation Committee's duties and responsibilities are set forth in the charter of the Compensation Committee. The charter of the Compensation Committee is available on the Company's website (www.signatureny.com) under "Investor Relations." The Compensation Committee consists of at least three of the Company's non-employee directors, any of whom may be removed at any time by action of the Board. The Chair is designated by the Board and the Committee must have at least two meetings per year. The Compensation Committee met two times in 2016. 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

determine their own salary levels. 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 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 and considers the independence of any consultant with respect to their engagement.

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 the 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 2016 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 2012, 2013, 2014, 2015 or 2016. 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 has been updated annually since 2012, 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 updates encompass 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 its charter 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 2016, the members of the Nominating Committee were Alfonse M. D'Amato (Chair) and Kathryn A. Byrne and the Nominating Committee held four meetings. The charter of the Nominating Committee is available on the Company's website (www.signatureny.com) under "*Investor Relations*."

Stock Ownership Requirements; Hedging Policy

The Company has adopted a policy pertaining to the 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 the Company's securities trading policy, directors, officers and employees are strictly prohibited from hedging any of the Company's securities.

Consideration of Director Nominees

Shareholder Nominees

The Nominating Committee will consider shareholder nominations of candidates for membership to the Board of Directors that are properly and timely submitted 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 know how to read and understand fundamental financial statements and understand the use of financial ratios and information in evaluating the financial performance of the Company;
- Each director should have sufficient time, energy and attention to ensure the diligent performance of his or her duties;
- 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. Our whistleblower program operates a 24-hour manned toll-free hotline.

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

DIRECTORS AND NOMINEES

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

<u>Name</u>	<u>Age</u>	<u>Position</u>
Nominees for Election		
Scott A. Shay	59	Chairman of the Board of Directors
Joseph J. DePaolo.....	57	President and Chief Executive Officer and Director
Barney Frank	76	Director
Directors Continuing in Office		
John Tamberlane	75	Vice-Chairman and Director
Kathryn A. Byrne	51	Lead Director
Judith A. Huntington.....	53	Director
Derrick D. Cephas.....	65	Director
Alfonse M. D'Amato	79	Director
Jeffrey W. Meshel	59	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

Scott A. Shay is a co-founder of Signature Bank and 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 of Directors 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 of Directors to conclude that he should be a member of our Board of Directors.

Joseph J. DePaolo is a co-founder of Signature Bank and 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 of Directors 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.

Barney Frank has been a member of the Board of Directors since June 2015. Mr. Frank served as a U.S. Congressman representing the 4th 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.

Directors Continuing in Office

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 Mazars USA 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.

John Tamberlane is a co-founder of Signature Bank and 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. From 2010 through September 2016, Ms. Huntington was the president of The College of New Rochelle (CNR). Ms. Huntington joined CNR as Vice President for Financial Affairs in 2001. Ms. Huntington's experience includes more than 25 years in the financial arena. Prior to joining CNR, she worked as a certified public accountant 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. She is also a member of the Board of Directors of the Westchester County Association. Ms. Huntington's experience in the financial services sector 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.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Scott A. Shay	59	Chairman of the Board of Directors
Joseph J. DePaolo.....	57	President and Chief Executive Officer, Director
John Tamberlane	75	Vice-Chairman, Director
Mark T. Sigona.....	55	Executive Vice President and Chief Operating Officer
Michael Merlo	69	Executive Vice President and Chief Credit Officer
Michael Sharkey.....	59	Senior Vice President and Chief Technology Officer
Eric R. Howell.....	46	Executive Vice President-Corporate & Business Development
Peter S. Quinlan.....	50	Executive Vice President and Treasurer
Vito Susca.....	48	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 2016, 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 2016, including a 6.2% increase in net income, as compared to fiscal 2015, achieving record earnings for the ninth consecutive year. In 2016, the Company’s total deposits grew over \$5 billion, to \$31.86 billion at December 31, 2016. In addition, for 2016 the Company had other notable achievements, including the following:

Performance Metrics

Return on Equity — 12.19%
Efficiency Ratio — 31.66%

Growth Metrics (over 2015)

Deposit Growth — +19.0%
Loan Growth — +22.1%
Pre-Tax Earnings Growth — +4.7%

Credit Metrics

Nonperforming asset ratio — 0.46%
Net charge-offs/average loans — 0.19%

With respect to the key compensation decisions that we made for our named executive officers for the 2016 fiscal year, our senior management continues to be compensated in accordance with the same underlying principles that we compensate our group directors: base salaries 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. Although we achieved excellent operating performance in 2016 (including record net income of \$396.3 million), we fell short of our budgeted net income target due to a third quarter special provision related to our taxi medallion portfolio, and our total shareholder return for 2016 was down slightly. In light of the foregoing, our Compensation Committee decided that there would be no base salary increases for our named executive officers in 2017, and that annual cash bonuses to our named executive officers would be reduced 10% from 2016 levels (except for Mr. Susca, who received a 7.7% 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 2017 to award restricted stock grants based on fiscal 2016 performance to our named executive officers generally in the same number of shares that have been granted to them in each of the last several years; such shares will vest equally over four years.

Say-on-Pay Vote

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 2016 annual meeting, cast votes in favor of our compensation program (which is the same percentage that approved our compensation program in 2015). 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 2016.

However, in early 2017, the Compensation Committee adopted several changes to the Company’s 2004 Equity Plan to further improve the equity award program’s alignment with shareholder interests. The plan was revised to:

- **Remove so-called “liberal share recycling” provisions.** Any shares used (or deemed to be used) for purposes of satisfying an option exercise price, or used to satisfy any tax withholding obligations in

connection with stock options and stock appreciation rights, shall nonetheless count against the maximum number of shares available for issuance under the plan.

- **Add a 12-month minimum vesting schedule.** Although our equity awards to our named executive officers have historically vested ratably over a four-year period, there has not been any minimum vesting requirement under the 2004 Equity Plan. We have modified the plan to require that all future grants of awards generally have 12-month minimum vesting periods.
- **Prohibit buyouts of underwater options.** We have clarified that no outstanding stock options under the 2004 Equity Plan may be repurchased or cancelled in exchange for cash or other consideration at a time when the option exercise price exceeds the fair market value of the stock subject to the option.

Executive Compensation Governance

We seek to maintain high standards with respect to the governance of executive compensation. Key features of our compensation policies and practices that aim to drive performance and align with stockholder interests are highlighted below:

Our Compensation Practices (What we do)	Our Prohibited Compensation Practices (What we don't do)
<ul style="list-style-type: none"> ✓ At-Risk Compensation: Our incentive-based compensation represents a significant portion of our executives' compensation (including 90.4% for our CEO). ✓ Annual Review: We conduct an annual review of our executive compensation program to ensure it rewards executives for strong performance, aligns with stockholder interests, retains top talent, and discourages unnecessary risk taking by our executives. ✓ Independent Consultant: We use an independent compensation consultant retained by the Compensation Committee, in its sole discretion, who performs no consulting or other services for the Company's management. ✓ Independent Compensation Committee: Our Compensation Committee is composed solely of independent directors. 	<ul style="list-style-type: none"> × No Guaranteed Increases: We do not guarantee salary increases or annual incentives for our NEOs. × No Hedging: We prohibit the hedging of the Company's stock by directors, officers, and employees of the Company. × No Pledging: We prohibit the pledging of the Company's stock by directors and officers of the Company. × No Repricing Without Stockholder Approval: We do not reprice underwater stock options without stockholder approval. × No Discount Grants: We do not provide for grants of equity below fair market value. × No Excessive Perquisites or Special Benefits: Our NEOs are only eligible to participate in benefit plans that are generally available to all of our employees.

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 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 2016 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 2016.

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. In addition to considering the views and guidance of the Compensation Committee's compensation consultant (as described below), it also receives relevant market data information from Barclays (particularly with respect to our peer group companies (as described below)). The Executive Chairman and CEO are 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 assist it in carrying out its responsibilities. The Committee's consultant provides the Compensation Committee with guidance 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 2016 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 2016, 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 \$22 billion and \$68 billion of assets, intending to locate a group of banks with mean and median asset sizes that are similar to our size (approximately \$37.8 billion) on September 30, 2016, the date of this review. As of December 31, 2016, our assets were approximately \$39.05 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 determined that our peer group for 2016 would include the following 14 banks that satisfied all five of the following criteria: (i) they had assets between \$22 billion and \$68 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:

BankUnited, Inc.	BOK Financial Corporation	Commerce Bancshares, Inc.
Cullen/Frost Bankers, Inc.	East West Bancorp, Inc.	First Republic Bank
Investors Bancorp, Inc.	New York Community Bancorp, Inc.	People's United Financial, Inc.
SVB Financial Group	Texas Capital Bancshares, Inc.	Umpqua Holdings Corporation
Valley National Bancorp	Wintrust Financial Corporation	

Four banks dropped out of our peer group from 2015 (FirstMerit Corporation was acquired by HBAN; Prosperity Bancshares, Inc. and Hancock Holding Company ceased to meet the criteria set forth above; and First Citizens BancShares, Inc. has very significant inside ownership), and we added four new banks (Investors Bancorp, People's United Financial, Texas Capital and Valley National) 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.

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 2016 and Why We Chose to Pay Each Element

For our fiscal year ended December 31, 2016, 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 2016, 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 2016, 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.....	9.6%	32.2%	58.2%
Scott A. Shay.....	10.0%	20.9%	69.1%
John Tamberlane.....	9.9%	13.4%	76.7%
Eric Howell.....	9.5%	13.4%	77.1%
Vito Susca.....	15.6%	16.8%	67.6%

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 2017, the Compensation Committee decided not to increase base salary for any named executive officers. Thus, the base salaries remained as follows: Joseph J. DePaolo (\$800,000); Scott A. Shay (\$564,726); Eric Howell

(\$400,000); John Tamberlane (\$420,595); and Vito Susca (\$325,000). We believe that these base salaries 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 2016, 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 2016, 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 \$160 million, provided that the aggregate amount of annual cash bonus plus the value of restricted stock granted in respect of 2016 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) 14 times the named executive officer's base salary and (ii) \$10,000,000. 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 2016 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 \$430 million (adjusted as applicable for any FDIC special assessments), (2) deposit growth of at least \$3.0 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, (5) maintaining a level of nonperforming assets that were significantly lower than the banking industry as a whole and (6) a passing grade in respect of bank regulatory "stress test". 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; adherence to high ethical standards and promoting such standards throughout 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 2015 performance and budgeted 2016 performance in nearly all major financial categories, including total assets, total loans, total deposits, and return on average assets. However, although the Company achieved its ninth consecutive year of record earnings, it fell short of its budgeted net income target, due to a third quarter special provision related to our taxi medallion portfolio. In addition, the total shareholder return for 2016 was down slightly. As a result, the Compensation Committee determined that annual cash bonuses for 2016 performance for all named executive officers (other than Mr. Susca) should be set at only 90% of their cash bonuses for 2015. Accordingly, the Compensation Committee approved cash bonuses for fiscal 2016 in the amounts of \$2,700,000 for Mr. DePaolo, \$1,179,000 for Mr. Shay, and \$567,000 for each of Messrs. Tamberlane and Howell. Mr. Susca received a cash bonus of \$350,000 (an increase over last year's \$325,000 bonus), continuing to normalize the compensation for his position to reflect his continuing advancement and growth as Chief Financial Officer.

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 22nd, the anniversary date of our initial public offering. The Company does not time, or plan to time, its release of material nonpublic information for the purpose of affecting the value of executive compensation. The Compensation Committee, in determining the amount of restricted stock that was awarded in March 2016, took into account the same factors that were taken into account in determining the annual cash bonuses for the 2015 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). Accordingly, the Compensation Committee approved grants to our named executive officers of the following number of shares of restricted stock in March 2016: 34,650 for Mr. DePaolo, 27,720 for Mr. Shay, 23,100 for Mr. Tamberlane, 23,100 for Mr. Howell and 10,000 for Mr. Susca.

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:

Joseph J. DePaolo, President & CEO:	5x base salary
Scott Shay, Chairman of the Board:	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 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, 2014, December 31, 2015 and December 31, 2016 to its named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	Stock Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan (\$)	All Other Compensation (\$) ⁽²⁾	Total (\$)
Joseph J. DePaolo, President and CEO	2016	800,000	—	—	4,875,255	2,700,000	34,224	8,409,479
	2015	750,000	—	—	4,433,940	3,000,000	33,668	8,217,608
	2014	643,436	—	—	4,433,814	2,550,000	30,544	7,657,794
Scott A. Shay,..... Chairman of the Board	2016	564,726	—	—	3,900,204	1,179,000	16,940	5,660,870
	2015	548,278	—	—	3,547,126	1,310,000	17,590	5,422,994
	2014	532,309	—	—	3,547,051	1,125,000	14,290	5,218,650
John Tamberlane,..... Vice-Chairman	2016	420,595	—	—	3,250,170	567,000	20,465	4,258,230
	2015	410,595	—	—	2,956,003	630,000	20,935	4,017,533
	2014	398,636	—	—	2,955,876	562,500	19,242	3,936,254
Eric Howell Executive Vice President - Corporate & Business Development	2016	400,000	—	—	3,250,170	567,000	16,108	4,233,278
	2015	379,723	—	—	2,956,003	630,000	16,725	3,982,451
	2014	368,663	—	—	2,955,876	562,500	13,307	3,900,346
Vito Susca, Senior Vice President and CFO	2016	325,000	—	—	1,407,000	350,000	16,109	2,089,109
	2015	300,000	—	—	1,168,740	325,000	16,726	1,810,466
	2014	285,000	—	—	1,023,680	250,000	13,458	1,572,138

- (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, 2016 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's 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 — \$2,400, Mr. Shay — \$2,400, Mr. Susca — \$2,400, Mr. Howell — \$2,400 and Mr. Tamberlane — \$960. For each executive officer, the amount of such tax payments was: Mr. DePaolo — \$18,574; Mr. Shay — \$1,290; Mr. Tamberlane — \$6,255; Mr. Susca — \$459 and Mr. Howell \$458.

Grants of Plan-Based Awards in 2016 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 2016, 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 2016.

Name	Grant Date	Corporate Action Date(1)	Estimated Possible Payouts Under Non-Equity Maximum (\$)(2)	All Other Stock Awards: Number of Shares of Stock (#)(3)	Fair Value of Stock Awards \$(4)
Joseph J. DePaolo.....	03/22/2016	01/27/2016	5,000,000	34,650	4,875,255
Scott A. Shay	03/22/2016	01/27/2016	5,000,000	27,720	3,900,204
John Tamberlane	03/22/2016	01/27/2016	5,000,000	23,100	3,250,170
Eric Howell.....	03/22/2016	01/27/2016	5,000,000	23,100	3,250,170
Vito Susca.....	03/22/2016	01/27/2016	4,550,000	10,000	1,407,000

- (1) Represents the date of the Compensation Committee meeting at which the specified grants of equity-based compensation were approved.
- (2) Represents the maximum payout under our annual cash bonus plan, which has no specific threshold or target payout levels, as described in the "Annual Cash Bonus" section of the Compensation Discussion and Analysis, above.
- (3) All restricted shares granted on March 22, 2016 vest equally over four years beginning on March 22, 2017.
- (4) The March 22, 2016 grant date fair value is calculated as the number of shares granted multiplied by the closing price of our common stock on March 22, 2016 (\$140.70).

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 \$800,000 in 2016), an annual bonus subject to meeting certain performance-based criteria to be determined from time-to-time by the Board of Directors, participation in our 2004 Equity 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. 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.

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 \$564,726 in 2016), 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 2016 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, 2016. The Company has not granted any performance-based equity awards.

<u>Name</u>	<u>Number of Shares of Stock That Have Not Vested (#)</u>	<u>Market Value of Shares of Stock That Have Not Vested (\$) ⁽¹⁾</u>
Joseph J. DePaolo	113,382	17,029,976
Scott A. Shay	87,088	13,080,618
John Tamberlane.....	72,574	10,900,615
Eric Howell.....	78,605	11,806,471
Vito Susca.....	20,750	3,116,650

(1) Market value is based on the \$150.20 closing price of our common stock on the NASDAQ Global Select Market at December 31, 2016.

Restricted Shares

<u>Name</u>	<u>Grant Date</u>	<u>Number of Shares or Units of Stock That Have Not Vested (#)</u>	<u>Vesting Period</u>	<u>Final Vesting Date</u>
Joseph J. DePaolo	4/17/2008	27,138	Equally – 5 Years ⁽¹⁾	4/17/2018
	3/22/2013	8,662	Equally – 4 Years ⁽²⁾	3/22/2017
	3/24/2014	17,324	Equally – 4 Years ⁽³⁾	3/22/2018
	3/23/2015	25,608	Equally – 4 Years ⁽⁴⁾	3/22/2019
	3/22/2016	34,650	Equally – 4 Years ⁽⁵⁾	3/22/2020
Scott A. Shay	4/17/2008	18,092	Equally – 5 Years ⁽¹⁾	4/17/2018
	3/22/2013	6,930	Equally – 4 Years ⁽²⁾	3/22/2017
	3/24/2014	13,860	Equally – 4 Years ⁽³⁾	3/22/2018
	3/23/2015	20,486	Equally – 4 Years ⁽⁴⁾	3/22/2019
	3/22/2016	27,720	Equally – 4 Years ⁽⁵⁾	3/22/2020
John Tamberlane.....	4/17/2008	15,077	Equally – 5 Years ⁽¹⁾	4/17/2018
	3/22/2013	5,775	Equally – 4 Years ⁽²⁾	3/22/2017
	3/24/2014	11,550	Equally – 4 Years ⁽³⁾	3/22/2018
	3/23/2015	17,072	Equally – 4 Years ⁽⁴⁾	3/22/2019
	3/22/2016	23,100	Equally – 4 Years ⁽⁵⁾	3/22/2020
Eric Howell.....	4/17/2008	21,108	Equally – 5 Years ⁽¹⁾	4/17/2018
	3/22/2013	5,775	Equally – 4 Years ⁽²⁾	3/22/2017
	3/24/2014	11,550	Equally – 4 Years ⁽³⁾	3/22/2018
	3/23/2015	17,072	Equally – 4 Years ⁽⁴⁾	3/22/2019
	3/22/2016	23,100	Equally – 4 Years ⁽⁵⁾	3/22/2020
Vito Susca.....	3/24/2014	4,000	Equally – 4 Years ⁽³⁾	3/22/2018
	3/23/2015	6,750	Equally – 4 Years ⁽⁴⁾	3/22/2019
	3/22/2016	10,000	Equally – 4 Years ⁽⁵⁾	3/22/2020

- (1) Award vests equally over five years, commencing on the sixth anniversary of grant.
(2) Award vests equally over four years on March 22, 2014, March 23, 2015, March 22, 2016, and March 22, 2017.
(3) Award vests equally over four years on March 23, 2015, March 22, 2016, March 22, 2017, and March 22, 2018.
(4) Award vests equally over four years on March 22, 2016, March 22, 2017, March 22, 2018, and March 22, 2019.
(5) Award vests equally over four years on March 22, 2017, March 22, 2018, March 22, 2019, and March 22, 2020.

Option Exercises and Stock Vested During 2016 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 2016.

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	—	—	48,093	6,806,581
Scott A. Shay	—	—	36,665	5,185,361
John Tamberlane.....	—	—	30,555	4,321,253
Eric Howell.....	—	—	33,570	4,754,328
Vito Susca.....	—	—	4,825	678,878

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 of Directors.

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, 2016 and there was no change of control of the Company.

Name	Benefit	Amount Payable for Termination Without Cause or for Good Reason (\$)	Amount Payable by Reason of Death or Disability (\$) ⁽¹⁾
Joseph J. DePaolo.....	Cash Severance	4,450,000	2,700,000
	Continued Welfare Benefits	348,658	—
Scott A. Shay.....	Cash Severance	2,373,952	1,179,000

(1) Amounts in this column represent annual cash bonus pro-rated through the assumed December 31, 2016 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, 2016, calculated based on the closing price of our common stock on the NASDAQ Global Select Market on such date, which was \$150.20.

<u>Name</u>	<u>Value of Equity Vesting in Connection with a Change of Control (\$)</u>	<u>Gross-Up on Equity Acceleration (\$)</u>
Joseph J. DePaolo.....	17,029,976	N/A
Scott A. Shay.....	13,080,618	N/A
John Tamberlane.....	10,900,615	5,881,056
Eric Howell.....	11,806,471	6,146,919
Vito Susca.....	3,116,650	1,715,146

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 for both himself and his dependents 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, 2016.

Name	Benefit	Amount Payable for Termination Without Cause or for Good Reason (\$)
Joseph J. DePaolo	Cash Severance	21,008,860
	Continued Welfare Benefits	348,658
	Excise Tax Gross Up ⁽¹⁾	20,975,563
Scott A. Shay	Cash Severance	13,386,540
	Continued Welfare Benefits	71,450
	Excise Tax Gross Up ⁽¹⁾	16,454,416
John Tamberlane.....	Cash Severance	9,670,430
	Continued Welfare Benefits	24,950
	Excise Tax Gross Up ⁽¹⁾	13,522,238
Eric Howell.....	Cash Severance	9,629,240
	Continued Welfare Benefits	71,450
	Excise Tax Gross Up ⁽¹⁾	12,762,227
Vito Susca.....	Cash Severance	5,455,000
	Continued Welfare Benefits	60,914
	Excise Tax Gross Up ⁽¹⁾	5,469,737

(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, 2016. 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, 2016 (\$150.20). 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 2016.

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards⁽¹⁾⁽²⁾⁽³⁾ (\$)</u>	<u>Total (\$)</u>
Alfonse M. D'Amato.....	61,000	351,750	412,750
Kathryn A. Byrne.....	58,000	351,750	409,750
Barney Frank.....	42,000	351,750	393,750
Judith A. Huntington.....	68,895	351,750	420,645
Jeffrey W. Meshel.....	56,000	351,750	407,750
Derrick D. Cephas.....	41,571	317,837	359,408
Michael Pappagallo (4)	18,605	—	18,605

- (1) On March 22, 2016, each non-employee director, with the exception of Derrick D. Cephas, was granted 2,500 restricted shares of common stock at a fair value of \$140.70 per share, which will fully vest on March 22, 2017. On April 21, 2016, Mr. Cephas was granted 2,302 restricted shares of common stock at a fair value of \$138.07 per share, which will fully vest on March 22, 2017. 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. The foregoing are the only shares of restricted stock that were outstanding for each non-employee director as of December 31, 2016.
- (2) There were no option grants made in 2016.
- (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, 2016 for a discussion of the assumptions used in determining aggregate grant date fair value of stock awards.
- (4) Mr. Pappagallo's term as director ended 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 Derrick D. Cephas, received, on March 22, 2016, a grant of 2,500 restricted shares of common stock for services as a director in 2016-2017. Mr. Cephas received, on April 21, 2016, a grant of 2,302 restricted shares of common stock for services as a director in 2016-2017. The shares of common stock awarded in 2016 will fully vest on March 22, 2017.

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, 2016. The 2016 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) 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 2016. 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 2016, 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 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, 2016, for filing with the FDIC.

Judith A. Huntington, Kathryn A. Byrne and Derrick D. Cephas 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
Derrick D. Cephas

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

REPORT OF THE RISK COMMITTEE

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

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

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

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

The Risk Committee met five times during 2016. 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
Derrick D. Cephas
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 2016, 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, 2016, in an aggregate principal amount of \$100,000.
- 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 \$440,000 as of December 31, 2016.

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, 2016.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾ (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	925,949	—	1,763,200
Equity compensation plans not approved by security holders	—	—	—
Total.....	925,949	—	1,763,200

(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).

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, 2017.

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 2016 and 2015:

	2016	2015
Audit Fees ⁽¹⁾	\$1,098,000	\$950,000
Audit-Related Fees	44,000	41,000
Tax Fees	—	—
All Other Fees ⁽²⁾	300,000	—
Total.....	\$1,442,000	\$991,000

-
- (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 January 2016 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.

ELECTION OF DIRECTORS

(PROPOSAL NO. 1)

Signature Bank's By-laws 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. In light of the importance of continued stability to our business, which is an important strategic imperative that, among other things, enhances depositor security, the Board of Directors determined that it would be in the best interests of shareholders to have a classified board. At the 2017 Annual Meeting, three directors are nominated to serve as Class III Directors and the Board of Directors has endorsed such nominations. All of the nominees are currently directors of Signature Bank. The three directors nominated for election as Class III Directors at the 2017 Annual Meeting of Shareholders, each to serve a term ending at the 2020 Annual Meeting of Shareholders or until their respective successors have been elected and qualified, are Scott A. Shay, Joseph J. DePaolo and Barney Frank.

Directors not currently standing for re-election include Kathryn A. Byrne, Alfonse M. D'Amato and Jeffrey W. Meshel, who are Class I Directors serving terms ending at the 2018 Annual Meeting, and John Tamberlane, Judith A. Huntington and Derrick D. Cephas, who are Class II Directors serving terms ending at the 2019 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 2017 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.

Required Vote

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 2017 Annual Meeting will be elected as directors, and any shares not voted "FOR" the election of a nominee (including any votes "WITHHELD" with respect to that nominee) will not affect whether that nominee has received the necessary votes for election to the Board of Directors, although those shares will be counted for purposes of determining whether there is a quorum present at the meeting.

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

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, 2017. 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 2017 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.

Required Vote

The affirmative vote of a majority of the votes cast is required for the approval of this Proposal 2.

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

**APPROVAL OF AMENDMENT TO THE RESTATED ORGANIZATIONAL CERTIFICATE TO
IMPLEMENT MAJORITY VOTING IN UNCONTESTED DIRECTOR ELECTIONS**

(PROPOSAL NO. 3)

The Board of Directors proposes and recommends that stockholders approve an amendment to our Restated Organizational Certificate for the election of directors by an affirmative vote of the majority of the votes cast in uncontested director elections. Our By-laws currently provide for the election of directors by a plurality of votes cast.

Background of the Proposal

The Company's directors are currently elected pursuant to a "plurality voting" standard, under which director nominees who receive the greatest number of votes cast in favor of their election at the annual meeting of stockholders are elected to the Board of Directors, up to the maximum number of directorships to be filled at that meeting. This means that, currently, a nominee may be elected to the Board of Directors whether or not a majority of the votes cast are in favor of his or her election, although our corporate governance policy does require that in an uncontested election a director nominee who receives more "WITHHELD" than "FOR" votes must promptly tender his or her resignation for consideration by a committee of the Board of Directors formed by the Company's independent directors. This committee would then recommend to the Board of Directors whether to accept or reject them. The plurality voting standard is the default voting standard for the election of directors under the New York Banking Law of the state of New York, where the Company is incorporated.

In recent years, many public companies have eliminated plurality voting in uncontested elections, and adopted a "majority voting" standard, under which the number of votes cast "for" the election of a nominee must exceed the number of votes cast "against" the election of the nominee in order for that nominee to be elected to the Board of Directors. Under a majority voting standard, abstentions and broker non-votes are not counted as votes cast either "for" or "against" a director's election and thus have no effect in determining whether the requisite vote had been obtained. The plurality voting standard continues to apply in contested elections, where the number of nominees exceeds the number of directorships up for election.

Consistent with the Company's commitment to good corporate governance, the Board of Directors has determined that the implementation of a majority voting standard in uncontested elections is in the best interests of the Company and its stockholders. Therefore, the Board of Directors proposes and recommends that the stockholders vote to approve the proposed amendment to Section 6 of our Restated Organizational Certificate to implement majority voting in uncontested director elections (attached hereto as **Annex A**).

Effect of the Amendment

If this proposal is approved by the requisite vote of stockholders, subject to approval by the Superintendent of Banks of the State of New York (the "Superintendent"), Section 6 of our Restated Organizational Certificate will be amended to provide that, in uncontested elections, directors shall be elected by a majority of the votes cast. In the event of a contested director election, directors would continue to be elected by a plurality of the votes cast. Upon approval of the amendment, the Board of Directors would also amend its existing director resignation policy to reflect the new majority vote standard requirement.

If this proposal is not approved by the requisite vote of stockholders and the Superintendent, our Restated Organizational Certificate and the existing director resignation policy will remain unchanged.

The discussion above is qualified in its entirety by reference to the full text of the Certificate of Amendment which is attached hereto as **Annex A**.

Required Vote

The affirmative vote of the holders of two-thirds of all outstanding shares entitled to vote at the 2017 Annual Meeting is required for the approval of this Proposal 3.

The Board of Directors recommends a vote "FOR" this proposal.

ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE APPROVING EXECUTIVE COMPENSATION

(PROPOSAL NO. 4)

In addition to providing shareholders with the opportunity to cast an advisory vote on executive compensation, in accordance with the requirements of Section 14A of the Exchange Act (which was added by the Dodd-Frank Act) and the related rules of the SEC, we are including in this Proxy Statement a separate resolution to enable our shareholders to recommend, on a discretionary and non-binding basis, whether a non-binding stockholder vote on executive compensation should occur every one, two or three years (which we refer to as a “say on pay frequency” vote).

The “say on pay frequency” vote is required to be offered to our shareholders at least once every six years. At the 2011 Annual Meeting, the Board of Directors recommended, and the shareholders voted on an advisory, non-binding basis in favor of, holding the “say on pay frequency” vote every “one year”. The Board of Directors accepted our shareholders’ recommendation, and currently shareholders are provided with the opportunity to cast an advisory (non-binding) vote to approve our executive compensation program every year.

After careful consideration, the Board of Directors continues to believe that a frequency of every “one year” for the advisory vote on executive compensation is the optimal interval for conducting and responding to a “say on pay” vote, so that shareholders may annually express their views on our executive compensation program. The Compensation Committee, which administers our executive compensation program, values the opinions expressed by the shareholders in these votes and will continue to consider the outcome of these votes in making its decisions on executive compensation.

You may cast your vote on your preferred voting frequency by choosing the option of every one year, two years or three years, or to abstain from voting, when you vote in response to the resolution set forth below.

“RESOLVED, that the option of every one year, two years or three years that receives the highest number of votes cast for this resolution will be determined to be the preferred frequency with which the Company is to hold a stockholder vote to approve, on an advisory basis, the compensation of the named executive officers, as disclosed at the time.”

Please note that this proposal does not provide stockholders with the opportunity to vote for or against any particular resolution. Rather it permits stockholders to choose how often they would like us to include a stockholder advisory vote on the compensation of our executives on the agenda for the annual meeting of stockholders. Notwithstanding the Board’s recommendation and the outcome of the stockholder vote, the Board may in the future decide that it is in the best interest of our stockholders and the Company to conduct “say on pay frequency” votes on a more or less frequent basis and may vary its practice based on factors such as discussions with stockholders and the adoption of material changes to compensation programs.

Required Vote

The affirmative vote of a majority of the votes cast will be required for approval of this Proposal 4.

The Board of Directors recommends a frequency of “1 YEAR” for future “Say on Pay” proposals on executive compensation.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

(PROPOSAL NO. 5)

In compliance with Section 14A of the Exchange Act (which was added by 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.

Required Vote

The affirmative vote of a majority of the votes cast will be required for approval of this Proposal 5.

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

APPROVAL OF EQUITY PLAN AMENDMENTS TO REMOVE LIBERAL SHARE RECYCLING PROVISIONS, TO ADD A ONE YEAR MINIMUM VESTING SCHEDULE AND TO PROHIBIT BUYOUTS OF UNDERWATER OPTIONS

(PROPOSAL NO. 6)

General

Our 2004 Equity Plan is a principal feature of the Company's compensation program.

At the 2017 Annual Meeting, shareholders will be asked to approve the following amendments to our 2004 Equity Plan, which were approved by the Board of Directors on January 18, 2017.

- ***Remove so-called "liberal share recycling" provisions.*** Any shares used (or deemed to be used) for purposes of satisfying an option exercise price, or used to satisfy any tax withholding obligations in connection with stock options and stock appreciation rights, shall nonetheless count against the maximum number of shares available for issuance under the plan.
- ***Add a 12-month minimum vesting schedule.*** Although our equity awards to our named executive officers have historically vested ratably over a four-year period, there has not been any minimum vesting requirement under the 2004 Equity Plan. The Equity Plan Amendments provide for the modification of the plan to require that all future grants of awards generally have 12-month minimum vesting periods.
- ***Prohibit buyouts of underwater options.*** The Equity Plan Amendments clarify that no outstanding stock options under the 2004 Equity Plan may be repurchased or cancelled in exchange for cash or other consideration at a time when the option exercise price exceeds the fair market value of the stock subject to the option.

For the avoidance of doubt, we are not asking our stockholders to approve any increase in the number of shares of Common Stock reserved for issuance under the 2004 Equity Plan.

The amendments to the 2004 Equity Plan are subject to approval by the Superintendent.

Summary of the 2004 Equity Plan

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

Purpose

The purpose of the 2004 Equity Plan is to give us a competitive advantage in attracting, retaining and motivating officers, employees, directors and/or consultants and to provide us and our subsidiaries and affiliates with a stock plan providing incentives directly related to increases in shareholder value.

Administration

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

Eligibility

Any of our employees, directors, officers or consultants who are or will be responsible for or contribute to the management, growth or profitability of the business of the Company or its subsidiaries or affiliates are eligible for awards under the 2004 Equity Plan. As of December 31, 2016, approximately 1,222 persons were eligible to participate in the 2004 Equity Plan, including 716 officers of the Bank, 506 non-officer employees of the Bank, six external consultants and six non-employee directors.

Number of Shares Authorized

There were 3,500,000 shares of Common Stock originally authorized for issuance under the 2004 Equity Plan. An additional 1,082,483 shares of Common Stock were added to the share reserve upon approval by our shareholders at the 2013 Annual Meeting. No participant may be granted options to purchase more than 1,000,000 shares of Common Stock in any one year. If the option price of any stock option or stock appreciation right is satisfied by delivering shares of Common Stock to the Company (by either actual delivery or by attestation), the full number of shares of Common Stock for which the stock option or stock appreciation right is exercised (i.e., not just the number of shares of Common Stock delivered to the participant net of the shares of Common Stock delivered to the Company or attested to) shall be deemed delivered for purposes of determining the maximum numbers of shares of Common Stock available for delivery under the Plan. To the extent any shares of Common Stock subject to any Stock Option or stock appreciation right are not delivered to a Participant because such shares are used to satisfy an applicable tax-withholding obligation, such shares shall similarly also be deemed to have been delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under the Plan. If any award is forfeited, or if any option terminates, expires or lapses without being exercised, shares of Common Stock subject to such award will again be available for future awards. If there is any change in corporate capitalization, the Compensation Committee in its sole discretion (subject to the approval of the Superintendent of Banks of the State of New York) may make substitutions or adjustments to the number of shares reserved for issuance under the 2004 Equity Plan, the number of shares covered by awards then outstanding under the 2004 Equity Plan, the limitations on awards under the 2004 Equity Plan, the exercise price of outstanding options and such other equitable substitution or adjustments as it may determine to be appropriate.

Awards Available for Grant

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

Stock Options

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

The term of the options will be fixed by the Compensation Committee, but incentive stock options granted will generally terminate on the tenth anniversary of their grant, unless terminated earlier because of a participant’s termination of employment. Options granted under the 2004 Equity Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by our Committee and specified in the applicable award agreement. Participants generally will exercise an option by delivery of a certified or bank check in an amount equal to the exercise price of that option. The Compensation Committee may permit a participant to deliver unrestricted shares of Common Stock to exercise an option, provided the Common Stock delivered has been owned by the participant for at least six months or was previously acquired by the participant on the open market. To the extent permitted by applicable law, the Compensation Committee may also allow the option price to be paid with the proceeds of a brokered sale or loan proceeds.

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

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

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

In no event may any stock option be repurchased or cancelled in exchange for cash or other consideration at a time when the option price exceeds the fair market value of the Common Stock subject to such stock option

Restricted Stock

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

Restricted Stock Unit Awards

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

Performance Units

The Compensation Committee is authorized to award performance units, including qualified performance-based awards. The performance unit awards will be subject to the terms and conditions established by the Compensation Committee. Unless the Compensation Committee determines otherwise, or specifies otherwise in an award agreement, if the participant terminates employment during the period of time over which all or a portion of

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

Qualified Performance-Based Awards

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

- (i) net earnings or net income (before or after taxes);
- (ii) basic or diluted earnings per share (before or after taxes);
- (iii) pre- or after-tax income (before or after allocation of corporate overhead and bonus);
- (iv) operating income (before or after taxes);
- (v) revenue, net revenue, or net revenue growth;
- (vi) gross profit or gross profit growth;
- (vii) net operating profit (before or after taxes);
- (viii) earnings, including earnings before or after taxes;
- (ix) return measures (including, but not limited to, return on assets, net assets, capital, total capital, tangible capital, invested capital, equity, or total shareholder return);
- (x) cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on capital, cash flow return on investment, and cash flow per share (before or after dividends));
- (xi) margins, gross or operating margins, or cash margin;
- (xii) operating efficiency;
- (xiii) productivity ratios;
- (xiv) share price (including, but not limited to, growth measures and total shareholder return);
- (xv) expense targets;
- (xvi) objective measures of customer satisfaction;
- (xvii) working capital targets;
- (xviii) measures of economic value added, or economic value-added models or equivalent metrics;
- (xix) enterprise value;

- (xx) net sales;
- (xxi) appreciation in and/or maintenance of the price of the shares or any other publicly-traded securities of the Company;
- (xxii) market share;
- (xxiii) comparisons with various stock market indices;
- (xxiv) reductions in costs;
- (xxv) improvement in or attainment of expense levels or working capital levels;
- (xxvi) year-end cash;
- (xxvii) debt reductions;
- (xxviii) shareholder equity;
- (xxix) regulatory achievements; or
- (xxx) implementation, completion or attainment of measurable objectives with respect to research, development, products or projects, production volume levels, acquisitions and divestitures and recruiting and maintaining personnel.

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

The maximum qualified performance-based award payable to any one participant under the 2004 Equity Plan for a performance period is 1,000,000 shares of Common Stock or, in the event such qualified performance-based award is paid in cash, the equivalent cash value thereof on the first or last day of the performance period to which such award relates, as determined by the Compensation Committee. The maximum amount that can be paid in any calendar year to any participant pursuant to a cash bonus award is \$5,000,000.

Other Stock-Based Awards

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

Minimum Vesting Period

With respect to grants of awards after January 18, 2017, each award shall have a minimum vesting period of 12 months.

Tax Withholding

A participant may be required to pay to us or make arrangements satisfactory to us to satisfy all federal, state and other withholding tax requirements related to awards under the 2004 Equity Plan. Unless we determine otherwise, a participant may satisfy his or her withholding liability (but no more than the minimum required

withholding liability) by delivery of shares of Common Stock owned by the participant. To the extent permitted by law, we have the right to deduct any withholding taxes from any payment otherwise due to a participant.

Term and Amendment

The term of the 2004 Equity Plan expires on December 31, 2018. Our Board may at any time amend, alter or discontinue the 2004 Equity Plan. No amendment, alteration, discontinuation or termination will impair the rights of any participant or recipient of any award without the consent of the participant or recipient, nor will any amendment for which shareholder approval would be required be effective without receiving the necessary shareholder approval.

Change in Control

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

Federal Income Tax Consequences

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

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

New Plan Benefits

Awards under the 2004 Equity Plan will be determined by the Compensation Committee in its discretion and it is, therefore, except as noted below, not possible to predict the awards that will be made to particular officers

in the future under the 2004 Equity Plan. For information regarding grants made to our named executive officers in fiscal 2016 under the 2004 Equity Plan, see the “Grants of Plan-Based Awards Table” above.

March 2017 Awards

The Compensation Committee met in January 2017 and approved the following awards of restricted stock under the 2004 Equity Plan, as part of our annual compensation program and reflecting fiscal 2016 performance, to be granted effective March 22, 2017:

<u>Name and Position</u>	<u>Number of Shares (#)</u>	<u>Dollar Value (\$)</u>
Joseph J. DePaolo, President and CEO	34,650	(1)
Scott A. Shay, Chairman of the Board	27,720	(1)
John Tamberlane, Vice-Chairman	23,100	(1)
Eric R. Howell, Executive Vice President – Corporate & Business Development	23,100	(1)
Vito Susca, Senior Vice President and Chief Financial Officer	12,500	(1)
All current executive officers as a group	202,870	(1)
Non-executive director group	15,000	(1)
Non-executive officer employee group	(2)	21,192,916

(1) Dollar value to be determined based on the closing price of the Company’s common stock on March 22, 2017.

(2) Number of shares to be determined based on the closing price of the Company’s common stock on March 22, 2017.

Required Vote

The New York Banking Law requires the affirmative vote of the holders of a majority of the outstanding shares of our common stock to approve the 2004 Equity Plan.

Interests of Certain Persons in the Proposal

As indicated above, our named executive officers and non-employee directors are eligible to receive grants of restricted stock pursuant to the 2004 Equity Plan. In addition, to the extent that our directors and other executive officers may in the future receive awards under the 2004 Equity Plan, they also may be deemed to have an interest in the 2004 Equity Plan.

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

OTHER MATTERS

Other Matters

Management does not know of any other matters to be considered at the 2017 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, 2016, including the financial statements included therein, as filed with the FDIC on or about March 1, 2017.

Available Information

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

Stockholders Sharing the Same Address; Householding

In accordance with notices to many stockholders who hold their shares through a bank, broker or other holder of record (a "street-name stockholder") and share a single address, only one annual report and proxy statement 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 2016 Annual Report to Stockholders may request a copy by contacting the bank, broker or other holder of record, or the Company by telephone at 646-822-1500, by email to investorrelations@signatureny.com or by mail to Investor Relations, Signature Bank, 565 Fifth Avenue, New York, NY 10017. Additionally, this Proxy Statement and our Annual Report on Form 10-K are available on the internet free of charge at 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 2018 Annual Meeting of Shareholders (the "2018 Annual Meeting") will be held in the first four months of 2018. Any shareholder who intends to present a proposal at the 2018 Annual Meeting, and who wishes to have such proposal included in Signature Bank's Proxy Statement for the 2018 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 2018 Annual Meeting must be received by November 10, 2017. 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 the prior year's annual meeting of shareholders. 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 2018 Annual Meeting must be received no earlier than December 21, 2017 and no later than January 20, 2018. For information about the policies of the Company's Board of Directors relating to shareholder nominees, see "Consideration of Director Nominees" in this Proxy Statement.

By Order of the Board of Directors,

/s/ Patricia E. O'Melia

Patricia E. O'Melia

Corporate Secretary

***CERTIFICATE OF AMENDMENT OF THE ORGANIZATION CERTIFICATE OF SIGNATURE BANK
UNDER SECTION 8005 OF THE NEW YORK BANKING LAW***

The name of the corporation is SIGNATURE BANK.

The original Organization Certificate was filed with the Banking Department of the State of New York on June 16, 2000 and amended and restated on June 30, 2005 and further amended on December 5, 2008 (the "Organizational Certificate").

The Organization Certificate of the Bank is hereby further amended by adding the following provisions after the last sentence of the sixth Article:

SIXTH. At any meeting of shareholders at which directors are to be elected, except as provided in the next sentence with respect to contested elections, each nominee for election as a director shall be elected by a majority of the votes cast by the holders of shares of stock present in person or represented by proxy and entitled to vote on the election of directors at a meeting of shareholders at which a quorum is present. In a contested election of directors, directors shall be elected by a plurality of the votes cast by the holders of shares of stock present in person or represented by proxy and entitled to vote on the election of directors at a meeting of shareholders at which a quorum is present. For purposes of this Article, (i) an election of directors shall be considered contested if, as of the date that is fourteen (14) days in advance of the date the corporation files its definitive proxy statement (regardless of whether or not thereafter revised or supplemented) with the Federal Deposit Insurance Corporation, the number of nominees exceeds the number of directors to be elected and (ii) a majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast against that director excluding abstentions. Any director who receives a greater number of votes cast against than for shall be subject to any resignation policies that are adopted by the Board.

This Certificate of Amendment was approved by resolution of the Board of Directors of SIGNATURE BANK adopted at its meeting on January 18, 2017.

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

SECTION 1. Purpose; Definitions

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

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

- (a) “*Affiliate*” means a corporation or other entity controlled by, controlling or under common control with the Company.
- (b) “*Award*” means a Stock Option, Restricted Stock, Restricted Stock Unit, Performance Unit, Qualified Performance-Based Awards or other stock-based award granted pursuant to the terms of the Plan.
- (c) “*Award Agreement*” means any written agreement, contract or other instrument or document evidencing the grant of an Award.
- (d) “*Award Cycle*” means a period of consecutive fiscal years or portions thereof designated by the Committee over which Performance Units are to be earned.
- (e) “*Board*” means the Board of Directors of the Company.
- (f) “*Cause*” means, unless otherwise provided by the Committee in an Award Agreement, (i) “*Cause*” as defined in any Individual Agreement to which the Participant is a party, or (ii) if there is no such Individual Agreement or if it does not define Cause: (A) conviction of the Participant of, or the entry of a plea of guilty or nolo contendere by the Participant to, any felony or misdemeanor, excluding minor traffic violations, (B) fraud, misappropriation or embezzlement by the Participant, (C) the Participant’s dishonesty in the course of fulfilling the Participant’s employment duties, (D) the Participant’s willful failure or gross negligence in the performance of the Participant’s assigned duties for the Company, (E) the Participant’s breach of the Participant’s fiduciary duty to the Company; (F) any willful act or willful omission of the Participant that reflects adversely on the integrity and reputation for honesty and fair dealing of the Company or (G) prior to a Change in Control, such other events as shall be determined by the Committee. The Committee shall, unless otherwise provided in an Individual Agreement with the Participant have the sole discretion to determine whether “*Cause*” exists, and its determination shall be final.
- (g) “*Change in Control*” has the meaning set forth in Section 10(b).
- (h) “*Code*” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.
- (i) “*Commission*” means the Securities and Exchange Commission or any successor agency.
- (j) “*Committee*” means the Committee referred to in Section 2.
- (k) “*Common Stock*” means common stock, par value \$0.01 per share, of the Company.
- (l) “*Company*” means Signature Bank, a New York State chartered bank created under and governed by the banking laws of New York.
- (m) “*Covered Employee*” means a Participant designated prior to the grant of Restricted Stock, Restricted Stock Units, Performance Units, or other Award by the Committee who is or may be a “covered

employee” within the meaning of Section 162(m)(3) of the Code in the year in which Restricted Stock, Restricted Stock Units, Performance Units, or other stock-based awards are expected to be taxable to such Participant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ff) “*Performance Goals*” shall mean, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time during the first 90 days of a Performance Period (or, if longer or shorter, within the maximum

period allowed under Section 162(m) of the Code), or at any time thereafter to the extent the exercise of such authority at such time would not cause the Qualified Performance-Based Awards granted to any Participant for such Performance Period to fail to qualify as “performance-based compensation” under Section 162(m) of the Code, in its sole discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period, based on and in order to appropriately reflect the following events: (i) asset write-downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in tax laws, accounting principles, or other laws or regulatory rules affecting reported results; (iv) any reorganization and restructuring programs; (v) extraordinary nonrecurring items as described in Accounting Principles Board Opinion No. 30 (or any successor pronouncement thereto) and/or in management’s discussion and analysis of financial condition and results of operations appearing in the Company’s annual report to shareholders for the applicable year; (vi) acquisitions or divestitures; (vii) any other specific unusual or nonrecurring events, or objectively determinable category thereof; (viii) foreign exchange gains and losses; and (ix) a change in the Company’s fiscal year.

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

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

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

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

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

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

(mm) “*Retirement*” means Normal or Early Retirement.

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

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

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

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

(rr) “*Termination of Employment*” means the termination of the Participant’s employment with, or performance of services for, the Company and any of its Subsidiaries or Affiliates. A Participant employed by, or performing services for, a Subsidiary or an Affiliate shall also be deemed to incur a Termination of Employment if the Subsidiary or Affiliate ceases to be such a Subsidiary or an Affiliate, as the case may be, and the Participant does not immediately thereafter become an employee of, or service-provider for, the Company or another

Subsidiary or Affiliate. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries and Affiliates shall not be considered Terminations of Employment.

SECTION 2. Administration

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

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

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

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

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

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

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

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

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

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

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

(e) The Committee may act only by a majority of its members then in office. Except to the extent prohibited by applicable law or the applicable rules of a stock exchange, the Committee may (i) allocate all or any portion of its responsibilities and powers to any one or more of its members and (ii) delegate all or any part of its responsibilities and powers to any person or persons selected by it, *provided* that no such delegation may be made

that would cause Awards or other transactions under the Plan to cease to be exempt from Section 16(b) of the Exchange Act or cause an Award designated as a Qualified Performance-Based Award not to qualify for, or to cease to qualify for, the Section 162(m) Exemption. Any such allocation or delegation may be revoked by the Committee at any time.

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

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

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

(a) The maximum number of shares of Common Stock that may be delivered to Participants and their beneficiaries under the Plan shall be 4,582,483 (comprised of 2,286,450 shares originally reserved, plus an additional 1,213,550 shares approved by the stockholders of the Company at its 2008 annual meeting of stockholders, plus an additional 1,082,483 shares approved by the stockholders of the Company at its 2013 annual meeting of stockholders). No Participant may be granted Stock Options covering in excess of 1,000,000 shares of Common Stock in any calendar year. Shares subject to an Award under the Plan may be authorized and unissued shares or may be treasury shares. If and to the extent any Award is forfeited, or any Stock Option terminates, expires or lapses without being exercised, shares of Common Stock subject to such Awards shall again be available for distribution in connection with Awards under the Plan. If the Option Price of any Stock Option or stock appreciation right is satisfied by delivering shares of Common Stock to the Company (by either actual delivery or by attestation), the full number of shares of Common Stock for which the Stock Option or stock appreciation right is exercised (i.e., not just the number of shares of Common Stock delivered to the Participant net of the shares of Common Stock delivered to the Company or attested to) shall be deemed delivered for purposes of determining the maximum numbers of shares of Common Stock available for delivery under the Plan. To the extent any shares of Common Stock subject to any Stock Option or stock appreciation right are not delivered to a Participant because such shares are used to satisfy an applicable tax-withholding obligation, such shares shall similarly also be deemed to have been delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under the Plan. The maximum number of shares of Common Stock that may be issued pursuant to Stock Options intended to be Incentive Stock Options shall be 4,582,483 shares.

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

SECTION 4. Eligibility

Awards may be granted under the Plan to Eligible Individuals.

SECTION 5. Stock Options

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

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

(c) Stock Options shall be evidenced by Award Agreements, which shall set forth or incorporate by reference the terms and conditions of the Stock Options. An Award Agreement shall indicate on its face whether it is intended to be an agreement for an Incentive Stock Option or a NonQualified Stock Option. The grant of a Stock Option shall occur on the date the Committee by resolution selects a Participant to receive a grant of a Stock Option, determines the number of shares of Common Stock to be subject to such Stock Option to be granted to such Participant and specifies the terms and provisions of the Stock Option. The Company shall notify a Participant of any grant of a Stock Option, and a written Award Agreement shall be duly executed and delivered by the Company to the Participant. Such agreement or agreements shall become effective upon execution by the Company and the Participant.

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

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

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

(iii) *Exercisability.* Except as otherwise provided herein, Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee. If the Committee provides that any Stock Option is exercisable only in installments, the Committee may at any time waive such installment exercise provisions, in whole or in part, based on such factors as the Committee may determine. Notwithstanding the foregoing, (A) a Participant's Stock Options shall become fully vested and exercisable upon Termination of Employment due to the death of the Participant, and (B) each Stock Option granted after January 18, 2017 shall provide for a minimum vesting period of twelve (12) months from the date of grant.

(iv) *Method of Exercise.* Subject to the provisions of this Section 5, Stock Options may be exercised, in whole or in part, at any time during the option term by giving written notice of exercise to the Company specifying the number of shares of Common Stock subject to the Stock Option to be purchased. Such

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

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

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

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

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

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

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

SECTION 6. Restricted Stock and Restricted Stock Units

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

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

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

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

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

(i) Regardless of whether an Award of Restricted Stock or Restricted Stock Units is designated by the Committee as a Qualified Performance-Based Award, the Committee may condition the grant or vesting thereof upon the attainment of Performance Goals, the continued service of the Participant or a combination of the foregoing; provided, however, that each award of shares of Restricted Stock and Restricted Stock Units

granted after January 18, 2017 shall provide for a minimum vesting period of twelve (12) months from the date of grant. The Committee may at any time, in its sole discretion, accelerate or waive, in whole or in part, any of the foregoing restrictions, except as provided in Section 9 in the case of Restricted Stock or Restricted Stock Units that are Qualified Performance-Based Awards.

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

(iii) Except as provided in this paragraph (iii) and Sections 6(c)(i) and 6(c)(ii) and the Award Agreement, the Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a shareholder of the Company holding the class or series of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the shares and the right to receive any cash dividends. If so determined by the Committee in the applicable Award Agreement and subject to Section 14(e) of the Plan, (A) cash dividends on the class or series of Common Stock that is the subject of the Restricted Stock Award shall be automatically deferred and reinvested in additional Restricted Stock, held subject to the vesting of the underlying Restricted Stock, or held subject to meeting Performance Goals applicable only to dividends, (B) dividends payable in Common Stock shall be paid in the form of Restricted Stock of the same class as the Common Stock with which such dividend was paid, held subject to the vesting of the underlying Restricted Stock, or held subject to meeting Performance Goals applicable only to dividends and (C) an Award of Restricted Stock Units may provide a Participant with dividend equivalents in respect of dividends payable with respect to shares of Common Stock underlying such Restricted Stock Units, payable on such terms and conditions as may be determined by the Committee in its sole discretion, including, without limitation, withholding of such amounts by the Company subject to vesting of the underlying Restricted Stock Units, or held subject to meeting Performance Goals applicable only to dividends.

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

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

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

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

SECTION 7. Performance Units

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

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

(i) Regardless of whether Performance Units are designated by the Committee as Qualified Performance-Based Awards, the Committee may condition the settlement thereof upon the attainment of Performance Goals, the continued service of the Participant or a combination of the foregoing; provided, however, that each award of Performance Units granted after January 18, 2017 shall provide for a minimum vesting period of twelve (12) months from the date of grant. Subject to the provisions of the Plan and the Award Agreement referred to in Section 7(b)(v), Performance Units may not be sold, assigned, transferred, pledged or otherwise encumbered during the Award Cycle.

(ii) Except to the extent otherwise provided in the applicable Award Agreement or Section 7(b)(ii) or 9(a)(iii), upon a Participant's Termination of Employment for any reason during the Award Cycle or before any applicable Performance Goals are satisfied, all rights to receive cash or stock in settlement of the Performance Units shall be forfeited by the Participant; *provided, however*, that the Committee shall have the discretion to waive, in whole or in part, any or all remaining payment limitations (other than, in the case of Performance Units that are Qualified Performance-Based Awards, satisfaction of the applicable Performance Goals unless the Termination of Employment of the Participant is by reason of death or Disability) with respect to any or all of such Participant's Performance Units. Notwithstanding the foregoing, all remaining payment limitations on a Participant's Performance Units shall be deemed satisfied on the death of the Participant.

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

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

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

SECTION 8. Other Stock-Based Awards

Other Awards of Common Stock and other Awards that are valued in whole or in part by reference to, or are otherwise based upon, Common Stock, including (without limitation) dividend equivalents and convertible debentures, may be granted either alone or in conjunction with other Awards granted under the Plan; provided, however, that each such award granted after January 18, 2017 shall provide for a minimum vesting period of twelve (12) months from the date of grant.

SECTION 9. Qualified Performance-Based Awards

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

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

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

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

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

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

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

(iv) *Use of Discretion.* In determining the actual size of an individual Performance Award for a Performance Period, the Committee may reduce or eliminate the amount of the Qualified Performance-Based Award earned under the Performance Formula in the Performance Period through the use of Negative

Discretion if, in its sole judgment, such reduction or elimination is appropriate. The Committee shall not have the discretion to (a) grant or provide payment in respect of Qualified Performance-Based Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained; or (b) increase a Qualified Performance-Based Award above the maximum amount payable under Section 3(a) or 9(d)(vi) of the Plan.

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

(vi) **Maximum Award Payable.** Notwithstanding any provision contained in this Plan to the contrary, the maximum Qualified Performance-Based Award payable to any one Participant under the Plan for a Performance Period is 1,000,000 shares of Common Stock or, in the event such Qualified Performance-Based Award is paid in cash, the equivalent cash value thereof on the first or last day of the Performance Period to which such Award relates, as determined by the Committee. The maximum amount that can be paid in any calendar year to any Participant pursuant to a cash bonus Award described in the last sentence of Section 9(a) shall be \$5,000,000. Furthermore, any Qualified Performance-Based Award that has been deferred shall not (between the date as of which the Award is deferred and the payment date) increase (A) with respect to Qualified Performance-Based Award that is payable in cash, by a measuring factor for each fiscal year greater than a reasonable rate of interest set by the Committee or (B) with respect to a Qualified Performance-Based Award that is payable in shares of Common Stock, by an amount greater than the appreciation of a share of Common Stock from the date such Award is deferred to the payment date.

SECTION 10. Change in Control Provisions

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

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

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

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

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

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

interest is owned, directly or indirectly, by the Company, or (z) Any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section 10(b); or

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

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

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

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

SECTION 11. Forfeiture of Awards

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

SECTION 12. Term, Amendment and Termination

The Plan will terminate on December 31, 2018. Under the Plan, Awards outstanding as of such date shall not be affected or impaired by the termination of the Plan.

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

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

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

SECTION 13. Unfunded Status of Plan

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

SECTION 14. General Provisions

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

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

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

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

(b) *No Limit of Other Arrangements; No Uniformity of Treatment.* Nothing contained in the Plan shall prevent the Company or any Subsidiary or Affiliate from adopting other or additional compensation arrangements for its employees. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and

interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated.

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

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

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

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

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

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

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

(j) *Section 409A of the Code.* To the extent applicable, notwithstanding anything herein to the contrary, this Plan and Awards issued hereunder shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any amounts payable hereunder will be taxable to a Participant under Section 409A of the Code and related Department of Treasury guidance prior to payment to such Participant of such amount, the Company may (i) adopt such amendments to the Plan and Awards and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder and/or (ii) take such other actions as the Committee determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A of the Code. In the

event that it is reasonably determined by the Committee that, as a result of Section 409A of the Code, payments in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, the Company will make such payment on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code. The Participant shall be solely responsible for, and nothing herein shall obligate the Company to pay for or on behalf of any Participant, any taxes imposed on such Participant under Section 409A of the Code in respect of any Award granted under the Plan.

SECTION 15. Effective Date of Plan

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

NOTE: In their discretion, the proxies are authorized to vote upon any other matters coming before the meeting.

Signature [PLEASE SIGN WITHIN BOX]	Date

Signature (Joint Owners)	Date