TOMPKINS FINANCIAL CORP
Form DEF 14A
April 04, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

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 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12

Tompkins Financial Corporation
(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.
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1) Amount Previously Paid:
2) Form, Schedule or Registration Statement No.:
3) Filing Party:
4) Date Filed:

April 4, 2014

NOTICE OF 2014 ANNUAL MEETING OF SHAREHOLDERS

OF TOMPKINS FINANCIAL CORPORATION

The Annual Meeting of Shareholders (the "Annual Meeting") of Tompkins Financial Corporation (the "Company") will be held on Monday, May 12, 2014 at 5:30 p.m., at the Country Club of Ithaca, 189 Pleasant Grove Road, Ithaca, New York, for the following purposes:

1. To elect sixteen (16) Directors for a term of one year expiring in 2015;

2. To ratify the appointment of the independent registered public accounting firm, KPMG LLP, as the Company's independent auditor for the fiscal year ending December 31, 2014;

3. To conduct an advisory vote to approve the compensation paid to our Company's Named Executive Officers; and

4. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Company's Board of Directors (the "Board") has fixed the close of business on March 14, 2014 as the record date for determining shareholders entitled to notice of and to vote at the Annual Meeting. Only shareholders of record at the close of business on that date are entitled to vote at the Annual Meeting. A shareholder's information meeting for our shareholders in western New York will be held at 5:30 p.m. on May 13, 2014, at the Genesee Country Village & Museum, 1410 Flint Hill Rd., Mumford, New York, 14511. A shareholder's information meeting for our shareholders in Pennsylvania will be held at 5:30 p.m. on May 20, 2014, at the Crowne Plaza, 1741 Papermill Rd, Wyomissing, Pennsylvania, 19610. A shareholder's information meeting for our shareholders in the Hudson Valley will be held at 6:00 p.m. on May 22, 2014, at Villa Barone, 466 Route 6, Mahopac, New York, 10541.

Enclosed with this notice are a Proxy Statement, a Form of Proxy and return envelope, instructions for voting by telephone or the Internet, the Company's Annual Report on Form 10-K for fiscal year 2013, and the Company's 2013 Corporate Report to shareholders. Please refer to the enclosed Proxy Statement with respect to the business to be transacted at the Annual Meeting.

The Board of Directors unanimously recommends that you vote "*FOR*" all of the proposals described above. Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the Annual Meeting, you are urged to read and carefully consider the enclosed Proxy Statement. You may vote by telephone, via the Internet, or mark, sign, date, and return the enclosed Form of Proxy in the accompanying pre-addressed postage-paid envelope. Your proxy may be revoked prior to its exercise by filing a written notice of revocation or a duly executed proxy bearing a later date with the Corporate Secretary of the Company prior to the Annual Meeting, or by attending the Annual Meeting and filing a written notice of revocation with the Corporate Secretary at the Annual Meeting prior to the vote and voting in person.

By Order of the Board of Directors,

/S/ James J. Byrnes	/S/ Kathleen A. Manley
James J. Byrnes	Kathleen A. Manley
Chairman	*Asst. Vice President & Corporate Secretary*

TOMPKINS FINANCIAL CORPORATION, THE COMMONS, P.O. BOX 460, ITHACA, NEW YORK 14851
(607) 273-3210

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE SHAREHOLDER MEETING TO BE HELD MAY 12, 2014

This Proxy Statement and the Company's Corporate Report to shareholders are available under the "SEC Filings" tab at www.tompkinsfinancial.com.

ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 12, 2014

This Proxy Statement together with the Form of Proxy is being mailed to shareholders on or about April 4, 2014 in connection with the solicitation by the Board of Directors of Tompkins Financial Corporation of proxies to be used at the Annual Meeting of Shareholders (the "Annual Meeting") to be held at the Country Club of Ithaca, 189 Pleasant Grove Road, Ithaca, New York on Monday, May 12, 2014 at 5:30 p.m.

Voting

Only shareholders of record at the close of business on March 14, 2014 will be entitled to vote. On March 14, 2014, there were 14,825,564 shares of the Company's common stock, par value $0.10 per share (our "common stock"), outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter to be voted on at the Annual Meeting.

Shareholders whose shares are registered in their own names may vote by mailing a completed proxy, via the Internet or by telephone, or by voting in person at the Annual Meeting. Instructions for voting via the Internet or by telephone are set forth on the enclosed Form of Proxy. To vote by mailing a proxy, sign and return the enclosed Form of Proxy in the enclosed pre-addressed postage-paid envelope. Shares of common stock covered by a proxy that is properly executed and returned will be voted and, if the shareholder who executes such proxy specifies therein how such shares shall be voted on such proposals, the shares will be voted as so specified. Executed proxies with no instructions will be voted "FOR" each proposal for which no instruction is given. Other than the election of Directors, the proposal to ratify the appointment of the independent registered public accounting firm, KPMG LLP, as our independent auditor for the fiscal year ending December 31, 2014, and the advisory vote on executive compensation, the Board is not aware of any other matters to be presented for shareholder action at the Annual Meeting. However, if other matters do properly come before the Annual Meeting, the Board intends that the persons named in the accompanying proxy will vote the shares represented by all properly executed proxies on any such matters in accordance with the judgment of the person or persons acting under the proxy.

The presence of a shareholder at the Annual Meeting will not automatically revoke a proxy previously delivered by that shareholder. A shareholder may, however, revoke his or her proxy at any time prior to its exercise by:
(1) delivering to the Corporate Secretary a written notice of revocation prior to the Annual Meeting, (2) delivering to the Corporate Secretary a duly executed proxy bearing a later date, or (3) attending the Annual Meeting and filing a written notice of revocation with the Corporate Secretary at the Annual Meeting prior to the vote and voting in person.

The presence, in person or by proxy, of the holders of at least a majority of the shares of common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum for the conduct of business at the Annual Meeting.

Vote Required and Board Recommendations

Proposal No. 1	**Vote Required**	**Board of Directors Recommendation**
Election of Directors	A plurality of votes cast by holders of common stock entitled to vote thereon	"FOR" all Director nominees

Proposal No. 2	**Vote Required**	**Board of Directors Recommendation**
Ratification of the appointment of the independent registered public accounting firm, KPMG LLP, as the Company's independent auditor for the fiscal year ending December 31, 2014.	A majority of votes cast by the holders of common stock entitled to vote thereon	"FOR" the ratification of the appointment of the independent registered public accounting firm, KPMG LLP, as the Company's independent auditor for the fiscal year ending December 31, 2014

Proposal No. 3	Vote Required	Board of Directors Recommendation
Advisory vote on the 2013 executive compensation paid to our Named Executive Officers (NEOs)	A majority of votes cast by the holders of common stock entitled to vote thereon	"FOR" the advisory approval of the NEO compensation described in this Proxy Statement

Abstentions and Broker Non-votes

At the Annual Meeting, abstentions, in person or by proxy, and broker non-votes will each be counted for purposes of determining the presence of a quorum. A "broker non-vote" occurs when a broker, bank, or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power on that matter and has not received instructions from the beneficial owner. At the Annual Meeting, broker non-votes and abstentions will have no effect on the outcome of any of the Company's proposals.

Solicitation of Proxies

The total cost of solicitation of proxies in connection with the Annual Meeting will be borne by the Company. In addition to solicitation by mail, our directors, officers and employees may solicit proxies for the Annual Meeting personally or by telephone or electronic communication without additional remuneration. The Company will also provide brokers and other record owners holding shares in their names or in the names of nominees, in either case which are beneficially owned by others, proxy material for transmittal to such beneficial owners and will reimburse such record owners for their expenses in doing so.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

At the Annual Meeting, 16 Directors will be elected for a one-year term expiring at the 2015 Annual Meeting, and with respect to each Director, until his or her successor is elected and qualified. All 16 director nominees—John E. Alexander, Paul J. Battaglia, Daniel J. Fessenden, James W. Fulmer, James R. Hardie, Carl E. Haynes, Susan A. Henry, Patricia A. Johnson, Frank C. Milewski, Sandra A. Parker, Thomas R. Rochon, Stephen S. Romaine, Michael H. Spain, William D. Spain, Jr., Alfred J. Weber and Craig Yunker—are currently serving as Directors. Their terms expire in 2014, and each is standing for re-election at the Annual Meeting. Each Director was identified and nominated by the Nominating and Corporate Governance Committee for election at the Annual Meeting. The 16 nominees receiving the highest number of affirmative votes of the shares entitled to vote at the Annual Meeting will be elected to the Board. The persons named in the Proxy to represent shareholders at the Annual Meeting are Francis M. Fetsko and Kathleen A. Manley. The Proxies will vote as directed and, in the absence of instructions, will vote the shares represented by the Proxies in favor of the election of nominees named below.

In the event any nominee is unable or declines to serve as a Director at the time of the Annual Meeting, the proxies will be voted for the nominee, if any, who may be designated by the Board, upon recommendation of the Nominating and Corporate Governance Committee, to fill the vacancy. As of the date of this Proxy Statement, the Board is not aware that any nominee is unable or will decline to serve as a Director.

Vote Required and Recommendation

A plurality of votes cast by holders of shares of common stock entitled to vote thereon is required to elect the nominees. **THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE DIRECTOR NOMINEES. SHARES OF COMMON STOCK COVERED BY EXECUTED PROXIES RECEIVED BY THE BOARD OF DIRECTORS WILL BE VOTED "FOR" THE ELECTION OF EACH OF THE DIRECTOR NOMINEES NAMED BELOW UNLESS THE SHAREHOLDER SPECIFIES A DIFFERENT CHOICE.**

The following table sets forth each Director nominee and each continuing Director and includes such person's name, age, the year he or she first became a Director and whether he or she has been determined to be an Independent Director, as that term is defined in the listing standards of the NYSE MKT LLC Company Guide. Biographies of the Director nominees follow the table. Unless otherwise indicated, all Directors have been employed in their current positions for at least five years. The nominees identified below as "Independent" are referred to in this Proxy Statement as the Independent Directors.

Name	Age	Year First Elected Director		Term to Expire	**Independent**[1]
Board Nominees for Terms to Expire in 2014:					
John E. Alexander	61	1993	(2)	2015	Yes
Paul J. Battaglia	62	2010		2015	Yes
Daniel J. Fessenden	48	2009		2015	Yes
James W. Fulmer	62	2000		2015	No
James R. Hardie	71	2001		2015	No
Carl E. Haynes	68	1996	(3)	2015	Yes
Susan A. Henry	67	2010		2015	Yes
Patricia A. Johnson	58	2006		2015	Yes
Frank C. Milewski	63	2012		2015	Yes
Sandra A. Parker	65	2010		2015	Yes
Thomas R. Rochon	61	2009		2015	Yes
Stephen S. Romaine	49	2007		2015	No
Michael H. Spain	56	2000		2015	No
William D. Spain, Jr.	62	2000		2015	No
Alfred J. Weber	61	2012		2015	Yes
Craig Yunker	63	2000		2015	Yes

(1) Independence has been affirmatively determined by the Company’s Board of Directors in accordance with Section 803A of the listing standards of NYSE MKT LLC Company Guide.

(2) Served as a Director of Tompkins Trust Company, prior to the formation of Tompkins Financial Corporation in 1995.

(3) Served as a Director from 1996 until 2000, and was re-appointed on February 20, 2007.

Director Qualifications, including Director Nominees

The following paragraphs provide information as of the date of this Proxy Statement regarding each nominee's specific experience, qualifications, attributes and skills that led our Board to the conclusion that he or she should serve as a Director. The information presented includes information each Director has given us about positions he or she holds, his or her principal occupation and business experience for the past five years, and the names of other publicly-held companies of which he or she currently serves as a Director or has served as a Director during the past five years.

John E. Alexander has served as a Director of the Company since 1995 and as a Director of Tompkins Trust Company since 1993. Mr. Alexander was a principal shareholder and served as President and Chief Executive Officer of The CBORD Group, Inc. ("CBORD"), a computer software company which Mr. Alexander founded in 1975, until July 1, 2004. Mr. Alexander served as Chairman of the Board of CBORD through February 2008. Prior to CBORD, Mr. Alexander was a Vice President in the Money Market Division of Bankers Trust Company. He currently serves on the board of the United Way of Tompkins County and the Food Bank of the Southern Tier, as well as serving as a Trustee Emeritus of Cornell University. We believe Mr. Alexander's qualifications to sit on our Board of Directors include his executive leadership and management experience, as well as the financial expertise he has brought to bear during nearly two decades of board service with our organization. In addition, Mr. Alexander has a long track record of community involvement in the Ithaca area, including the aforementioned service on the board of the United Way of Tompkins County and as Trustee Emeritus of Cornell University.

Paul J. Battaglia has served as a Director of the Company since 2010 and was a Director of TFA Management, Inc. f/k/a AM&M Financial Services, Inc. from April-December 2010. He has served as a Director for Tompkins Bank of Castile since January 2011. He became Chairman of the Audit Committee in May 2011. Mr. Battaglia is a Managing Director of Freed Maxick CPAs, P.C., a 285-person public accounting firm headquartered in Western New York. As a Managing Director, Mr. Battaglia consults on various transactions, including mergers and acquisitions, design and implementation of financing plans, estate planning and business succession planning. Among his other professional qualifications, he is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants. He also serves on the Firm's Executive and Compensation Committee, as well as a trustee for the Firms' retirement plan. Mr. Battaglia currently serves as a Commissioner of the Rochester Genesee Regional Transportation Authority and is on the Board of Trustees of Catholic Charities of Western New York and the Board of Directors of the Genesee County Economic Development Center. He also serves as the Chairman of the Audit Committee for Catholic Charities of Western New York. Mr. Battaglia has served as a director or volunteer for over thirty not-for-profit or educational organizations. In 2010, Mr. Battaglia received the "Distinguished Citizen" award from the Boy Scouts of America (Iroquois Trail Council), and has received numerous other community recognitions. We believe Mr. Battaglia's qualifications to sit on our Board of Directors include his 40 years of experience with public and financial accounting matters for complex financial organizations. He has acquired a deep understanding of the Western New York business environment during his years of working with commercial clients in the region. We note that Mr. Battaglia has demonstrated significant involvement with local civic organizations through his years of service on the above-referenced boards of directors.

Daniel J. Fessenden has served as a Director of the Company since 2009 and as a Director of Tompkins Trust Company since January 2009. Mr. Fessenden served as a member of the New York State Assembly from 1993 to 1999. He currently serves as the Executive Director of the Fred L. Emerson Foundation, a fourth-generation family foundation located in Auburn, New York. From 2004 to 2006 he served as the founding Executive Director of the Cornell Agriculture & Food Technology Park, Geneva, New York. Prior to 2004, Mr. Fessenden served as a key member of the government relations team for the Carrier Corporation, Syracuse, New York. Mr. Fessenden has been actively engaged with various business, civic and educational organizations throughout the Central New York region for more than 25 years. In addition to serving as a director of Midstate Mutual Insurance Company, he also serves on the board of Seward House Museum, Wells College, American Agriculturist Foundation and several other charitable organizations. We believe Mr. Fessenden's qualifications to sit on our Board of Directors include his extensive experience in government and public service (as well as executive experience in the private sector), his active engagement with civic organizations, and his deep connections to the Central New York business community.

James W. Fulmer served as President of the Company from 2000 through 2006, and has served as a Director of the Company since 2000, and Vice Chairman of the Company since January 1, 2007. He serves as the Chairman, President and Chief Executive Officer of Tompkins Bank of Castile, and has served in such capacity since 1988. Mr. Fulmer also serves as: a Director of Tompkins Mahopac Bank and Tompkins VIST Bank; Chairman and Director of Tompkins Insurance Agencies, Inc.; and Director of TFA Management, Inc. He served as the President and Chief Executive Officer of Letchworth Independent Bancshares Corporation from 1991 until its merger with the Company in 1999. He has served as a member of the Board of Directors of the Federal Home Loan Bank of New York since January 2007, and is a member of the Federal Reserve Bank of New York Community Depository Advisory Council. Mr. Fulmer is a past president of the Independent Bankers Association of New York State, and he also actively serves as a member of the Board of Directors of Erie and Niagara Insurance Association of Williamsville, the Cherry Valley Cooperative Insurance Company of Williamsville, the United Memorial Medical Center, and WXXI Public Broadcasting Council. We believe Mr. Fulmer's qualifications to sit on our Board of Directors include his nearly 40 years of experience in the banking industry, including service as our Vice Chairman, and as President and Chief Executive Officer of Tompkins Bank of Castile. Mr. Fulmer is also actively involved with the prominent Western New York community organizations described above.

James R. Hardie has served as a Director of the Company since 2001. Mr. Hardie has been Vice Chairman of the Board of Directors of Tompkins Insurance Agencies ("TIA"), a wholly-owned subsidiary of the Company, since August 1, 2002. He was President of Austin, Hardie, Wise Agency, Inc. from 1974 until January 1, 2001, when he became President, Chief Executive Officer and a Director of TIA. Effective January 1, 2003, Mr. Hardie ceased serving as President and Chief Executive Officer of TIA. He continues to be employed by TIA as a producer. Mr. Hardie is the managing member of Bennington Farms, LLC, a property leasing company, and also currently serves as Secretary/Treasurer and Director of the Schooner Bay Homeowners Assoc., a condominium community in Sarasota, Florida. His community service includes serving as a Director of the Wyoming County Hospital Foundation, as well as service on the Wyoming County Chamber Legislative Committee. We believe Mr. Hardie's qualifications to sit on our Board of Directors include his forty years of management experience in the insurance industry, including thirty years as chief executive officer, as well as his prior experience as a bank director before joining the Tompkins organization. In addition, Mr. Hardie has served in various capacities with numerous civic organizations throughout his career.

Carl E. Haynes served as a Director of the Company from 1996 until 2000 and was re-appointed on February 20, 2007. He has served as a Director of Tompkins Trust Company since 1996. Dr. Haynes has been President of Tompkins Cortland Community College since 1995, and he served as Chairman of the Board of Directors of Cayuga Medical Center until May 2007. He also serves on the Board of Directors of the TC3 Foundation, Therm, Inc., CNY Regional Alliance, Cortland County Business Development Corporation, Cayuga-Cortland Workforce Investment Board, Tompkins County Area Development Corporation, Tompkins County Community Advisory Panel and Tompkins County Workforce Investment Board, among others. We believe Dr. Haynes' qualifications to sit on our Board of Directors include his over 15 years of service as a bank director, as well as his executive experience leading a large, non-profit educational organization. Additionally, Dr. Haynes has demonstrated civic leadership through service on the boards of many local charitable and business-related organizations.

Susan A. Henry has served as a Director of the Company since 2010 and as a Director of Tompkins Trust Company since April 2010. Dr. Henry is the Ronald P. Lynch Dean *emerita*, College of Agriculture and Life Sciences, Cornell University, where she is a Professor of Molecular Biology and Genetics. Prior to her appointment at Cornell, Dr. Henry was Dean of Science of the Mellon College of Science at Carnegie Mellon University. Dr. Henry is a member of the Board of Directors of Seneca Foods Corporation (NASDAQ: SENEA), where she serves on the Compensation and Nominating Committee, and she is also a member of the Board of Directors of Agrium, Inc. (NYSE: AGU), where she serves on the Governance Committee, and the Human Resources and Compensation Committee. We believe Dr. Henry's qualifications to sit on our Board of Directors include her extensive experience in the management and administration of a large non-profit organization, coupled with her experience serving on the boards of other publicly-traded companies.

Patricia A. Johnson has served as a Director of the Company since 2006, and has served as a Director of Tompkins Trust Company since 2002. As of January 2014, Ms. Johnson became the Vice President for Finance and Administration with Lehigh University in Bethlehem, PA. She had previously been with Cornell University, starting as the Assistant Treasurer in 1995, was appointed Treasurer in March 1999, and in 2007, was appointed Associate Vice President & Treasurer. Ms. Johnson served on the finance committee of Planned Parenthood of the Southern Finger Lakes, and was a Director of the Legacy Foundation of Tompkins County, TC3 Community College, the Social Service League, and the Tompkins County Public Library Foundation. She is currently a director and the finance chair for Market Matters, a not for profit located in Ithaca, NY which provides business training to residents of South Africa. She was also a member of the NACUBO Accounting Principles Council and the Association for Financial Professionals. We believe Ms. Johnson's qualifications to sit on our Board of Directors include her accounting expertise and her ability to understand and evaluate the Company's complex financial operations, based in part on her prior work in the banking industry. In addition, Ms. Johnson has demonstrated civic leadership through service on the boards of many local charitable organizations.

Frank C. Milewski has served as a Director of the Company since August 2012, when he was appointed by the Board to fill a vacancy following the VIST Acquisition. Mr. Milewski served as Vice Chairman of the Board of VIST Financial Corporation (“VIST”) from 2007 to 2012, where he served as a director from 2002 until its acquisition by the Company in August 2012. Mr. Milewski served as a director of Merchants Bank from 1985 until VIST acquired Merchants in 1999. He has served as a director on the Board of Directors of Tompkins VIST Bank since 1999. Mr. Milewski is Regional President of Providence Service Corporation, a publicly traded company which provides services in the human services field. Formerly, he was the founder, President and Chief Executive Officer of The ReDCo Group, prior to its acquisition by Providence Service Corporation in 2004. Mr. Milewski is responsible for oversight and direction of six separate operating companies in five states. Mr. Milewski currently serves as a member of the Schuylkill Economic Development Corporation (SEDCO’s) Board of Directors and as such is involved in fostering economic growth, development, and job creation in the greater Schuylkill County region. Previously he served on a number of community-oriented not-for-profit boards. We believe Mr. Milewski’s qualifications to sit on our Board of Directors include his executive experience in a leadership position with a publicly traded company, his prior service on VIST’s Audit/Examining Committee and the Tompkins VIST Bank Board of Directors, and his involvement with economic development and other civic engagement in the Schuylkill County region.

Sandra A. Parker has served as a Director of the Company since 2010 and as a Director of Tompkins Bank of Castile since April 2010. Ms. Parker is the President and Chief Executive Officer of the Rochester Business Alliance, where she has served in various capacities since 2003. Previously, Ms. Parker was the President and Chief Executive Officer of the Industrial Management Council (Rochester, New York). She is a founder of Unshackle Upstate, and serves on the Committee to Save New York. Ms. Parker serves on numerous local boards of directors, including the Monroe Community College Foundation, and the Center for Governmental Research, among others. She is also a Trustee at Rochester Institute of Technology. Her extensive involvement with local civic organizations includes service on the boards of Directors of the Rochester Area Community Foundation and the YMCA of Greater Rochester. We believe Ms. Parker’s qualifications to sit on our Board of Directors include her extensive executive experience, particularly in human resource management, coupled with her strong connections to the business community of Western New York and her involvement with the civic organizations noted above.

Thomas R. Rochon has served as a Director of the Company since 2009 and as a Director of Tompkins Trust Company since January 2009. In July, 2008, Dr. Rochon was appointed President of Ithaca College. Prior to his appointment, he served from 2003 to July, 2008 as the Executive Vice President and Chief Academic Officer for the University of St. Thomas in Minnesota, following a career as professor of political science on the faculties of Princeton University and Claremont Graduate University. From 2000 to 2003, he was the Executive Director of the Graduate Record Examinations program at the Educational Testing Service (ETS). He is on the board of directors of New York Campus Compact, an association of colleges and universities committed to community service, and also serves on the Executive Committee of the Council of Independent Colleges and Universities, the association of private institutions of higher education in New York State. He is also actively involved with several local charitable organizations. We believe Dr. Rochon’s qualifications to sit on our Board of Directors include his many years of management experience, including as the President of Ithaca College, as well as an understanding of the challenges faced by organizations which operate in a heavily regulated sector. In August 2013, the Board of Directors concluded a succession planning process for Chairman James J. Byrnes, whose term will expire in May 2014, and named Dr. Thomas R. Rochon as his successor. Subject to Dr. Rochon’s re-election as a Director, the Board expects to appoint him as Chairman of the Board effective immediately following the Annual Meeting.

Stephen S. Romaine has served as a Director of the Company since January 1, 2007. Mr. Romaine was appointed President and Chief Executive Officer of the Company effective January 1, 2007. He had served as President and Chief Executive Officer of Tompkins Mahopac Bank from January 1, 2003 through December 31, 2006. Prior to this appointment, Mr. Romaine was Executive Vice President, Chief Financial Officer of Mahopac National Bank. In addition to the Company board, Mr. Romaine serves on the boards of each of its affiliates. Mr. Romaine currently serves on the board of the New York Bankers Association, where he chairs the Government Relations Council and was elected its Treasurer and Chairman of the New Century Fund in February 2014. He also serves on the board of the Listed Company Council of the NYSE MKT LLC. His civic involvement includes service as a member of the board of directors of the Ithaca Aviation Heritage Foundation, United Way of Tompkins County, and the TC3 Foundation. We believe Mr. Romaine’s qualifications to sit on our Board of Directors include his 25 years as an executive in the financial services industry, including his current position as President and Chief Executive Officer of the Company.

Michael H. Spain has served as a Director of the Company since 2000, and as a Director of Tompkins Mahopac Bank since 1992. Mr. Spain owns and serves as the President of the Spain Agency, an insurance agency located in Mahopac, New York. Mr. Spain is also a General Partner in W. D. Spain & Sons, LLP, a family limited partnership that owns common stock of the Company; President of Sleeping Indian, LLC, and Trail Properties, Inc, real estate holding companies; and President of Wind River, LLC and Indian Paintbrush, LLC, companies engaged in real estate development, and President of Risk Mitigation Advisors, LLC, a company engaged in loss control risk management. His brother, William D. Spain, Jr., is also a Director of the Company. He has demonstrated civic leadership through service on the boards of several charitable organizations in the Hudson Valley, including past President of Mahopac Rotary, The Putnam Alliance, Putnam Independent Insurance Agencies, and has served on the Hudson Valley Hospital Board and Foundation, along with over 20 years of service as a Tompkins Mahopac Bank director. We believe Mr. Spain’s qualifications to sit on our Board of Directors include his extensive executive experience in the financial services industry.

William D. Spain, Jr. has served as a Director of the Company since 2000, as a Director of Tompkins Mahopac Bank since 1991, and as Chairman of the Board of Directors of Tompkins Mahopac Bank since 1999. He has been the Managing Partner of Spain & Spain, PC, a law firm in Mahopac, New York, since 1983. Mr. Spain is also a General Partner in W. D. Spain & Sons, LLP, a family limited partnership that owns Common Stock of the Company. Mr. Spain is a member of the Mahopac Volunteer Fire Department, among other community organizations. His brother, Michael H. Spain, is also a Director of the Company. We believe Mr. Spain's qualifications to sit on our Board of Directors include his strong connections to the business community in and around the Hudson Valley, coupled with more than 20 years of service as a Tompkins Mahopac Bank Director. We also note Mr. Spain's involvement, through board service and in other capacities, with civic organizations in the Hudson Valley.

Alfred J. Weber is president of Tweed-Weber, Inc., a management consulting firm, and has been a member of our Board of Directors since August 2012 when he was appointed by the Board to fill a vacancy following the VIST Acquisition. Mr. Weber served as Chairman of the Board of VIST Financial Corporation from 2005 to 2012, where he served as a Director from 1995 until its acquisition by the Company in August, 2012. He currently serves on the Board of Directors of Tompkins VIST Bank, and has served as its Chairman since 2005. He has been in the consulting industry since 1974 and has been president of his own business since 1984. The fundamental focus of his work is to help clients build and implement strategies to gain and sustain competitive advantage in their marketplace. He has worked with hundreds of businesses, not-for-profit organizations, health and home care agencies, and associations across the country. Mr. Weber currently serves on the boards of Berks County Community Foundation, Our City Reading, St. Paul's Lutheran Church, and Boscov's LLC. He previously served on the boards of Alvernia University, the United Way of Berks County, the Berks County Chamber of Commerce, the Berks County Workforce Investment Board, the Greater Berks Development Fund, and the Burn Prevention Foundation. We believe Mr. Weber's qualifications to sit on our Board of Directors include his experience in leading change initiatives and his expertise in the area of strategic planning.

Craig Yunker has served as a Director of the Company since 2000 and as a Director of Tompkins Bank of Castile since 1991. He is the Managing Member of CY Farms, LLC, CY Properties, LLC, CY Heifer Farm, LLC, and Batavia Turf, LLC, companies engaged in farming. Since 2001, he has served as a Trustee of Cornell University. Mr. Yunker is closely involved with the Western and Central New York business community, and he currently serves in leadership roles on both state and national agricultural organizations, including the New York State Agriculture Society, and the Farm Foundation Roundtable. We believe Mr. Yunker's qualifications to sit on our Board of Directors include his extensive executive experience, particularly in the agribusiness sector, and his corporate strategy acumen, along with over 20 years of service as a Tompkins Bank of Castile Director.

The names and ages of the Company's executive officers, including the Named Executive Officers identified in the Summary Compensation Table in this Proxy Statement, their positions and offices held with the Company, their term of office and experience are set forth in Part I of the Company's Annual Report on Form 10-K for the Company's 2013 fiscal year, a copy of which is enclosed with this Proxy Statement.

Matters Relating To the Board of Directors

Board of Directors Meetings and Committees

During fiscal 2013, the Board of Directors held four regular meetings and one strategic planning meeting. As a matter of practice the Independent Directors met in executive session at the end of each regular meeting, for a total of five meetings during 2013. During this period, all of the Directors attended or participated in at least 80% of the aggregate of the total number of meetings of the Board held during the periods that he or she served and the total number of meetings held by all committees of the Board on which each such Director served during the period that he or she served, other than Sandra A. Parker, who attended 64% of such meetings due to previously scheduled business travel commitments.

The Board currently maintains and appoints the members of the following five standing committees: Executive, Compensation, Audit/Examining, Nominating and Corporate Governance, and Qualified Plans Review.

Board of Directors: Committee Membership

Director	Executive	Compensation	Audit/ Examining	Nominating/ Corporate Governance	Qualified Plans Review
John E. Alexander	—	X	—	—	X
Paul J. Battaglia	X	—	Chair	—	—
Daniel J. Fessenden	—	—	—	X	—
James W. Fulmer	X	—	—	—	—
Carl E. Haynes	X	—	—	Chair	—
Susan A. Henry	—	—	—	—	X
Patricia A. Johnson	—	—	X	—	—
Frank C. Milewski	—	—	X	—	—
Sandra A. Parker	—	X	—	—	—
Thomas R. Rochon	—	X	—	—	—
Stephen S. Romaine	X	—	—	—	X
Michael H. Spain	X	—	—	—	—
Alfred J. Weber	—	—	—	X	—
Craig Yunker	X	Chair	X	—	—

The Board has adopted a written charter for the Executive Committee. A copy of the Executive Committee's charter is posted in the "Corporate Governance" section of the Company's website (www.tompkinsfinancial.com). The Executive Committee did not meet during fiscal 2013. The Executive Committee acts, as necessary, on behalf of the Board of Directors pursuant to the Company's Second Amended and Restated Bylaws (the "Bylaws").

The Board has adopted a written charter for the Compensation Committee (as used in this paragraph, the "Committee"). A copy of the Committee's charter is posted in the "Corporate Governance" section of the Company's website (www.tompkinsfinancial.com). The Committee met six times during fiscal 2013. Among its duties and responsibilities, the Committee assesses executive performance and reviews, determines and recommends salaries and other matters relating to executive compensation, except that the compensation of the Chief Executive Officer is determined by the full Board upon recommendation by the Committee. It also administers the Company's equity incentive plans, including reviewing and granting equity incentive awards to executive officers and other employees. The Committee also reviews and approves various other compensation policies and matters, senior management planning, and is responsible for ensuring that executive officers are compensated effectively and in a manner consistent with the Company's objectives. Each of the members of this Committee is an "Independent Director" as defined in Section 803A of the NYSE MKT LLC Company Guide, and also meets the heightened independence standards for compensation committee members set forth in NYSE MKT Rule 805(C). The responsibilities and activities of the Committee are described in greater detail in the "*Compensation Discussion and Analysis*" beginning on page 16 of this Proxy Statement.

The Board has adopted a written charter for the Audit/Examining Committee (as used in this paragraph, the "Committee"). A copy of the Committee's charter is posted in the "Corporate Governance" section of the Company's website (www.tompkinsfinancial.com). The Committee met nine times during fiscal 2013. This Committee assists the Board in its general oversight of accounting and financial reporting, internal controls and audit functions, and is directly responsible for the appointment, compensation and oversight of the work of the Company's independent auditors. The responsibilities and activities of the Committee are described in greater detail in the "Report of the Audit/Examining Committee of the Board of Directors" included in this Proxy Statement. The Board has determined that Paul J. Battaglia, Daniel Fessenden, Patricia A. Johnson, Frank C. Milewski and Craig Yunker each qualify as an "Audit Committee Financial Expert" as defined in Item 407(d) of Regulation S-K and that each of the members of the Audit/Examining Committee satisfies the independence standards applicable to Audit Committee members of Section 803 of the NYSE MKT LLC Company Guide and Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Board has adopted a written charter for the Nominating and Corporate Governance Committee (as used in this paragraph and in the next five paragraphs, the "Committee"). A copy of the Committee's charter is posted in the "Corporate Governance" section of the Company's website (www.tompkinsfinancial.com). The Committee met five times during the 2013 fiscal year. This Committee is responsible for assisting the Board in developing corporate governance policies and practices that comply with applicable laws and regulations, including NYSE MKT LLC listing standards and corporate governance requirements, and the corporate governance requirements of the Sarbanes-Oxley Act of 2002.

The Committee is also responsible for identifying, evaluating and recommending qualified candidates for election to the Board. The Committee will evaluate candidates who are identified by shareholders, by other members of the Board, and occasionally by members of the Company’s leadership team, which is comprised of the Company’s executive officers. The same procedures are used to evaluate all candidates, regardless of the source of the recommendation. To be considered, each candidate must possess the following minimum qualifications and attributes: high personal values, judgment and integrity; an ability to understand the regulatory and policy environment in which the Company conducts its business; a demonstrated, significant engagement in one of the market areas served by the Company, based on one or more of the following within such market area—professional/business relationships, residence, and involvement with civic, cultural or charitable organizations; and experience which demonstrates an ability to deal with the key business, financial and management challenges that face financial service companies. The Committee believes that such connections with one of the Company’s local communities fosters ties between the Company and that community, and also allows the Director to better understand the banking and financial services needs of its local stakeholders.

In identifying potential nominees, the Committee also considers whether a particular candidate adds to the overall diversity of the Board. The Committee seeks nominees with a broad diversity of experience, professions, skills, geographic representation and backgrounds. The Board believes that the backgrounds and qualifications of the Directors, considered as a group, should comprise an array of experience, knowledge and abilities to allow the Board to most effectively carry out its responsibilities. Although the Committee does take diversity into account when evaluating a particular candidate, it is only one of several criteria used during the Committee’s assessment process, and the Committee has not formalized its diversity practices into a written policy.

While individual experiences and qualifications serve as a baseline for consideration, the Committee recognizes that the Board governs as a whole, and not as a collection of individuals. The effectiveness of the Board is not a function of the individual attributes of its members; rather, it depends on the overall chemistry of the Board. Therefore, the Committee assesses whether a particular candidate will be able to function within this broader context by evaluating his or her: ability to understand, and willingness to engage, the issues presented to the Board; ability to exercise prudence and judgment, but also decisiveness; and ability to effectively communicate his or her ideas to the other members of the Board. In the case of incumbent Directors, these assessments are made based on past experience with a particular Director and, in the case of first-time nominees, these issues are explored during the interview and vetting process described below.

Once the Committee has determined its interest in a potential nominee, it begins discussions with him or her as to his or her willingness to serve on the Board and one or more of the Company’s subsidiary boards and, for first-time nominees, an interview will be conducted. If the nominee is an incumbent Director, the Committee will consider prior Board performance and contributions as described above; in the case of a first-time nominee, the Committee will evaluate its discussions with the candidate, and the Committee may also seek to verify its preliminary assessment of the candidate by discussing his or her particular attributes with other appropriate parties who have had prior professional experiences with him or her. At the conclusion of this process, the Committee will recommend qualified candidates that best meet the Company’s needs to the full Board, which then selects candidates to be nominated for election at the next annual meeting of shareholders. The Committee uses the same process for evaluating all candidates, whether recommended by shareholders, directors or management. The Company encourages all Board members to own at least 2,000 shares of the Company's common stock, which shares may be accumulated over a period of three years following a Director's initial election to the Board. Shares held in a rabbi trust as deferred stock compensation for a given Director are included in this calculation.

The Board has adopted a written charter for the Qualified Plans Review Committee. This Committee met two times during fiscal 2013, and it is responsible for reviewing and setting the investment goals and objectives of the Tompkins Financial Corporation Retirement Plan, and adjusting plan holdings accordingly.

Director Compensation

It is the general policy of the Board that employee directors are not paid for their service on the Company's Board of Directors beyond their regular employee compensation. Mr. Hardie, although employed by Tompkins Insurance Agencies as a producer, is not an executive officer of the Company and is therefore compensated for his service on the Board of Directors of the Company, but not for service as a Director of Tompkins Insurance Agencies.

2013 Director Compensation

Name	**Fees Earned or Paid in Cash[(1)]**	**Stock Awards[(2)]**	All Other Compensation		Total
	($)	($)	($)		($)
Alexander	—	37,500	—		37,500
Battaglia	—	48,950	—		48,950
Byrnes	75,000	—	—		75,000
Fessenden	44,500	—	—		44,550
Gates	42,550	—	—		42,550
Hardie	18,000	—	20,800	(3)	38,800
Haynes	27,850	16,100	—		43,950
Henry	—	33,000	—		33,000
Johnson	38,200	—	—		38,200
Milewski	43,350	—	—		43,350
Parker	32,700	—	—		32,700
Rochon	—	36,700	—		36,700
Spain, M.	18,000	18,000	—		36,000
Spain, Wm.	34,750	—	—		34,750
Weber	13,725	23,675	—		37,400
Yunker	—	46,700	—		46,700

(1) Amounts disclosed for certain Directors include cash compensation for service on subsidiary boards. For a more detailed discussion of such fees, see "Subsidiary Board Service Compensation" below.

(2) The stock awards disclosed here reflect grant date fair value in accordance with ASC Topic 718, and were earned by the Directors and deferred under Tompkins' Amended and Restated Plan for Eligible Directors of Tompkins Financial Corporation and Wholly-Owned Subsidiaries (the "Retainer Plan"). The stock awards under the Retainer Plan are discussed in more detail below under the heading "Timing and Manner of Payment of Director Compensation."Dividends are reinvested pursuant to the Company's Dividend Reinvestment and Stock Purchase and Sale Plan.

(3) Represents compensation for Mr. Hardie's service as a producer for Tompkins Insurance Agencies.

Effective January 1, 2013, the Company's non-employee Directors were compensated for service on the Board as follows. An annual $13,000 retainer payable in quarterly installments of $3,250 each was paid at the beginning of each quarter to non-employee Directors. In addition, non-employee Directors received $1,250 for each of the four regularly-scheduled Board meetings the Director attended, as well as $750 for each Audit/Examining, Compensation or Nominating and Corporate Governance Committee meeting attended and $400 for each Qualified Plans Review Committee meeting attended. The Chair of the Audit/Examining Committee received an additional $10,000 annual fee paid in quarterly installments of $2,500, and the Chairs of the Compensation, and Nominating and Corporate Governance Committees received an additional $4,000 annual fee paid in quarterly installments of $1,000. All non-employee Directors' fees paid for service on the Board are paid in cash or, if a valid election was made by the Director prior to January 1, 2013, such Directors' fees were deferred pursuant to (i) the Retainer Plan or (ii) pursuant to a Deferred Compensation Agreement. In addition to these fees, Directors are eligible to receive equity awards granted pursuant to the Company's 2009 Equity Plan, though none were issued to Directors during fiscal 2013.

In lieu of any retainer, board meeting and/or committee fees, an annual retainer was paid to James J. Byrnes in 2013 for his service as Chairman of the Tompkins Financial Corporation and Tompkins Trust Company Boards of Directors in the amount of $75,000, paid in cash, in quarterly installments of $18,750.

Subsidiary Board Service Compensation

Any non-employee member of the Company's Board of Directors who also sits on the Board of Tompkins Bank of Castile received an additional annual $14,200 Board Retainer Fee, paid in quarterly installments of $3,550. During 2013, Paul J. Battaglia, Sandra A. Parker, and Craig Yunker sat on the Board of Directors of Tompkins Bank of Castile. Any non-employee member of the Company's Board of Directors who also sits on the board of Tompkins Mahopac Bank received an additional annual Board Retainer Fee of $18,000 paid in quarterly installments of $4,500. During 2013, William D. Spain, Jr., James J. Byrnes, and Michael H. Spain sat on the Board of Directors of Tompkins Mahopac Bank. Any non-employee member of the Company's Board of Directors who also sits on the Board of Tompkins Trust Company received an additional annual $14,200 Board Retainer Fee paid in quarterly installments of $3,550. In addition, non-employee Directors who served on the Trust Committee and/or the Board Loan Committee of Tompkins Trust Company's Board of Directors received fees of $400 per meeting attended, and the Chair of each of those committees received a $1,000 annual fee paid in quarterly installments of $250 at the beginning of each quarter. During 2013, James J. Byrnes, John E. Alexander, Daniel J. Fessenden, Reeder D. Gates, Carl E. Haynes, Susan A. Henry, Patricia A. Johnson and Thomas R. Rochon sat on the Board of Directors of Tompkins Trust Company. Any non-employee member of the Company's Board of Directors who also sits on the board of Tompkins VIST Bank received an additional annual $14,200 Board Retainer Fee, paid in quarterly installments of $3,550. In addition, non-employee Directors who served on the Board Loan Committee of Tompkins VIST Bank's Board of Directors received fees of $400 per meeting attended. During 2013, Frank C. Milewski and Alfred J. Weber sat on the Board of Directors of Tompkins VIST Bank. Mr. Hardie, who also sits on the Board of Tompkins Insurance, is not compensated for such service.

Timing and Manner of Payment of Director Compensation

All retainer and meeting fees for service on the Company's Board, as well as service on the Board of Directors of one or more of our subsidiaries, are payable quarterly, either in cash or, if a timely election is made by the Director, in stock pursuant to the Retainer Plan. Non-employee Directors may also elect to receive compensation in deferred cash pursuant to a Deferred Compensation Agreement. If a Director elects to receive deferred stock compensation under the Retainer Plan, his or her fees are transferred to a Rabbi Trust. The trustee acquires shares of common stock pursuant to the Company's Dividend Reinvestment and Stock Purchase and Sale Plan. A Director has no rights in or to the shares of common stock held in the Rabbi Trust until distribution is made in accordance with the Retainer Plan. An aggregate of 5,956 shares of common stock was acquired by the Rabbi Trust under the Retainer Plan in 2013 representing board and committee fees and retainers paid and expensed in 2013.

Corporate Governance Matters

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines (the "Guidelines"), which reflect many of the Company's long-standing practices, in order to strengthen our commitment to corporate governance best practices. A copy of the Guidelines is posted in the "Corporate Governance" section of our website (www.tompkinsfinancial.com). The Guidelines summarize the Company's corporate governance practices and procedures, and the following issues, in addition to others, are covered in the Guidelines: board size; director independence; chairman independence; director retirement; director resignation following a change in job responsibility; director candidate identification and nomination; director common stock ownership; responsibilities of directors; meeting attendance; executive sessions of independent directors; Board committees; succession planning and management evaluation; director education; failure to receive a majority of votes cast; pledging/hedging policy; and board assessments.

Shareholder Communications with Directors

Shareholders may communicate with the Company's Board of Directors by writing to the following address: Board of Directors, Tompkins Financial Corporation, P.O. Box 460, Ithaca, New York 14851. All such communications from shareholders will be reviewed by the Chairman of the Nominating and Corporate Governance Committee, who is an Independent Director, and, if s/he determines that a communication should be reviewed by the full Board, it will be presented to the Board for review and consideration.

Policy Regarding Director Attendance at Annual Meetings; Annual Meeting Attendance

The Board strongly encourages the attendance of all Directors at Annual Meetings. The Annual Meeting of Shareholders for fiscal 2012 was held on May 20, 2013 and, with the exception of Frank C. Milewski and Sandra A. Parker, all of the Directors then in office were in attendance.

Code of Ethics

The Board has adopted the Tompkins Financial Corporation Code of Ethics for the Chief Executive Officer and Senior Financial Officer which applies to the Company's Chief Executive Officer and Chief Financial Officer (who also serves as our principal accounting officer). A copy of the Code of Ethics is available in the "Corporate Governance" section of the Company's website (www.tompkinsfinancial.com). The Company will post material amendments to or waivers from the Code of Ethics for Chief Executive Officer and Senior Financial Officer at this location on its website.

Board Leadership Structure and Risk Oversight

Presently, the roles of Chief Executive Officer and Chairman of the Board are separate, as the Board feels this offers advantages of including additional input and a range of prior experience within our leadership structure. However, no single leadership model is right for the Company at all times, and the Board does not have a policy that these roles will always be separate. The Board recognizes that other leadership models can be appropriate for the Company, given different circumstances.

The Board has an active role, both at the full Board and also at the committee level, in overseeing management of the Company’s risks. The Board regularly reviews information regarding asset quality, capital, securities portfolio, liquidity, operations and other matters, as well as the risks associated with each. The Compensation Committee oversees risks associated with compensation arrangements and the Audit Committee oversees management of financial risks. The Board’s role in the risk oversight process has not directly impacted its leadership structure.

Risk and Influence on Compensation Programs

The Board’s Compensation Committee also considers risk and its influence on the Company’s compensation programs. This Committee reviews each compensation element individually and in the aggregate to ensure that the overall compensation program provides a balanced perspective that ultimately aligns pay with performance while also ensuring bonus / incentive programs do not motivate inappropriate risk-taking. Since the bonuses are discretionary, the Committee has the ability to reduce bonus amounts should it be determined that certain actions or practices by the executive officers are promoting unnecessary or excessive risk. Equity award levels and practices are set to foster shared interests between management and shareholders, but are not considered by the Committee to be at levels that would drive inappropriate behavior. In the Committee’s judgment, the compensation policies and practices of the Company do not give rise to material risks.

In addition, we are subject to guidance issued by our primary banking regulators designed to ensure that incentive compensation arrangements at banking organizations appropriately tie rewards to longer-term performance and do not undermine the safety and soundness of the firm or create undue risks to the financial system. This guidance embodies three core principles, which are: (1) incentive compensation arrangements at a banking organization should provide employees incentives that appropriately balance risk and financial results in a manner that does not encourage employees to expose their organizations to imprudent risks; (2) these arrangements should be compatible with effective controls and risk management, and (3) these arrangements should be supported by strong corporate governance, including active and effective oversight by the organization’s board of directors. We believe that our incentive compensation programs are in compliance with this guidance.

Affirmative Determination of Director Independence

A majority of the Board of Directors, and each member of the Audit/Examining Committee, Compensation Committee, and Nominating and Corporate Governance Committee, is independent, as affirmatively determined by the Board, consistent with the criteria established by NYSE MKT LLC and as required by our Bylaws.

The Board has conducted an annual review of director independence for all current nominees for election as Directors and all continuing Directors. During this review, the Board considered transactions and relationships during the preceding three years between each Director or any member of his or her immediate family and the Company, and its executive officers, subsidiaries, affiliates and principal shareholders, including those described below under "Transactions with Related Persons." The purpose of this review was to determine whether any such relationships or transactions were inconsistent with a determination that the Director is independent.

As a result of this review, the Board affirmatively determined that the Directors identified as "Independent" in the table on Page 3 meet the Company's standard of independence.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth certain information, as of March 14, 2014, with respect to the beneficial ownership of our common stock by: (1) each shareholder known by the Company to be the beneficial owner of more than 5% of the Company's common stock; (2) each Director and nominee; (3) each executive officer named in the Summary Compensation Table, below; and (4) all executive officers and Directors as a group. Except as otherwise indicated, each of the shareholders named below has sole voting and investment power with respect to the outstanding shares of Common Stock beneficially owned.

	Common Stock Ownership			
	Phantom Stock Held in Deferred Trust(1)	Number of Shares Beneficially Owned(2)		**Percent of Outstanding Names Shares**(2)(3)
Directors, Nominees and Executive Officers				
John E. Alexander+	11,022	32,387	(4)	**
Paul J. Battaglia+	3,246	3,841	(5)	**
David Boyce*	—	41,579	(6)	**
James J. Byrnes++	—	45,036		**
Daniel J. Fessenden+	1,592	1,178		**
Robert D. Davis*	—	9,306	(7)	**
Francis M. Fetsko*	—	26,466	(8)	**
James W. Fulmer*+	—	126,217	(9)	**
Reeder D. Gates++	5,783	126,500	(10)	
James R. Hardie+	1,572	65,743	(11)	**
Carl E. Haynes+	5,594	4,958		**
Susan A. Henry+	3,317	1,136		**
Patricia A. Johnson+	2,564	116		**
Frank C. Milewski+	—	17,449		**
Sandra A. Parker+	—	2,620		**
Thomas R. Rochon+	4,378	234	(12)	**
Stephen S. Romaine*,+	—	70,633	(13)	**
Michael H. Spain+	4,605	470,080	(14)	3.17%
William D. Spain, Jr.+	2,542	465,893	(15)	3.14%
Alfred J. Weber+	828	10,788		**
Craig Yunker+	8,372	13,814		**
All Directors and executive officers as a group (25 persons)	—	1,225,199		8.16%

* Named Executive Officer

\+ Currently a Director of the Company and a Director Nominee

++Currently a Director of the Company
** Less than 1 percent

(1) Each share of phantom stock is the economic equivalent of one share of common stock. Phantom stock represents deferred stock compensation under the Amended and Restated Retainer Plan for Eligible Directors of Tompkins Financial Corporation and its Wholly-Owned Subsidiaries (the “Retainer Plan”). These shares are held in a deferred trust account (the “Rabbi Trust”) pending distribution upon the occurrence of certain events specified in the Retainer Plan. The reporting person has no voting or investment power over the shares prior to such distribution. The shares of Common Stock held in deferred trust accounts for non-employee Directors are voted by Tompkins Trust Company (the “Trust Company”) as trustee of the Rabbi Trust.

(2) Does not include shares of Phantom Stock held in the Rabbi Trust.

(3) The number of shares beneficially owned by each person or group as of March 14, 2014, includes shares of common stock that such person or group had the right to acquire on or within 60 days after March 14, 2014, including, but not limited to, upon the exercise of options. For each individual and group included in the table, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the 14,825,564 shares of common stock outstanding and entitled to vote on March 14, 2014 plus the number of shares of common stock that such person or group had the right to acquire on or within 60 days after March 14, 2014. The percentages listed in this column do not include shares acquired pursuant to the Retainer Plan and held in the Rabbi Trust; directors have no voting or investment power with respect to such shares. For a more detailed discussion of the Retainer Plan, refer to "*Timing and Manner of Payment of Director Compensation,*" Page 11. For a description of the vesting provisions for the restricted stock referenced in the footnotes below, see the "2013 Outstanding Equity Awards at Fiscal Year-End" table, below.

(4) Includes 505 shares owned by Mr. Alexander's spouse.

(5) Shares owned by Mr. Battaglia's spouse.

(6) Includes 1,918 shares held in the Company's Employee Stock Ownership and Investment & Stock Ownership Plans, 4,230 shares of restricted stock, and 25,534 shares that Mr. Boyce may acquire by exercise of options exercisable at March 14, 2014 or within 60 days thereafter.

(7) Includes 245 shares held in the Company's Investment & Stock Ownership Plan.

(8) Includes 6,085 shares held in the Company's Employee Stock Ownership and Investment & Stock Ownership Plans, 4,230 shares of restricted stock, and 10,039 shares that Mr. Fetsko may acquire by exercise of options exercisable at March 14, 2014 or within 60 days thereafter.

(9) Includes 10,216 shares held in the Company's Employee Stock Ownership Plan, 4,230 shares of restricted stock, 28,155 shares owned by Mr. Fulmer's spouse, and 27,953 shares that Mr. Fulmer may acquire by exercise of options exercisable at March 14, 2014 or within 60 days thereafter.

(10) Includes 3,200 shares owned by Mr. Gates' spouse.

(11) Includes 743 shares held in the Company's Employee Stock Ownership Plan.

(12) Includes 10 shares owned by Dr. Rochon's spouse as Custodian for each of their two sons.

(13) Includes 8,653 shares held in the Company's Employee Stock Ownership and Investment & Stock Ownership Plans, 8,609 shares of restricted stock, and 55,631 shares that Mr. Romaine may acquire by exercise of options exercisable at March 14, 2014 or within 60 days thereafter.

(14) Includes 420,707 shares of Common Stock held by W. D. Spain & Sons Limited Partnership, of which Mr. Michael Spain is a General Partner and shares voting and investment control. Mr. Spain disclaims beneficial ownership of all shares of Common Stock owned by W. D. Spain & Sons Limited Partnership, except to the extent of 84,140 shares which represent his indirect pecuniary interest, through his ownership of 20% of W. D. Spain & Sons Limited Partnership.

(15) Includes 420,707 shares of Common Stock held by W. D. Spain & Sons Limited Partnership, of which Mr. William Spain, Jr. is a General Partner and shares voting and investment control. Mr. Spain disclaims beneficial

ownership of all shares of Common Stock owned by W. D. Spain & Sons Limited Partnership, except to the extent of 84,140 shares which represent his indirect pecuniary interest, through his ownership of 20% of W. D. Spain & Sons Limited Partnership.

As of March 14, 2014, other than as listed in the Common Stock Ownership table above, no person or group was known by the Company to be the beneficial owner of more than 5% of the outstanding shares of the Company's common stock, except as follows:

Name and Address of Beneficial Owner	Phantom Stock Held in Deferred Trust	Shares of Common Stock Beneficially Owned	Percent of Class
Tompkins Trust Company in the fiduciary capacity indicated: (1)			
Executor, Trustee or Co-Trustee	753,473(2)		5.08%
Agent or Custodian	754,166(3)		5.09%
Tompkins Trust Company in the fiduciary capacity indicated (Plan shares held in custody by Prudential Investment)			5.23%
Trustee for the Tompkins Financial Employee Stock Ownership and Investment & Stock Ownership Plans	774,848(4)		
BlackRock, Inc. (5) 40 East 52nd Street, New York, NY 10022		1,208,554	8.2%

(1) The Trust Company's address is P.O. Box 460, Ithaca, New York, 14851.

(2) Represents shares held in a fiduciary capacity as executor, trustee or co-trustee. Where the Trust Company is sole executor or trustee, such shares, generally, will be voted only if the legal instrument provides for voting the stock at the direction of the donor or a beneficiary and such direction is in fact received. When acting in a co-fiduciary capacity, such shares will be voted by the co-fiduciary or fiduciaries in the same manner as if the co-fiduciary or fiduciaries were the sole fiduciary.

(3) Represents shares held as agent or custodian with the voting power retained by the owner.

(4) Represents shares held and administered by Prudential Investment Management Services, LLC, of which 567,676 shares, or 3.83% of the outstanding shares (calculated as described above), are held by the Company's Employee Stock Ownership Plan and 207,172 shares, or 1.40% of the outstanding shares (calculated as described above), are held by the Company's Investment & Stock Ownership Plan. All such shares have been allocated to participant accounts. Individual plan participants are entitled to vote these shares, and as a result these shares are not voted by the Trust Company, which serves as Trustee for these plans.

(5) This information is based on a Schedule 13G/A filed by BlackRock, Inc. on January 30, 2014.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

It is the position of the Compensation Committee and the Board of Directors that Tompkins Financial Corporation has long operated within the spirit of the guidance provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act and other recently enacted regulations. Management and the Board have been careful to avoid many of the risks of incentive programs, choosing to reward proven results on a discretionary basis as opposed to tying payments to any particular metric. The result is that no individual or group is incentivized to take unnecessary risk with respect to a customer, the organization or our shareholders. We believe that these efforts are supported by an effective risk management system and strong corporate governance.

The Company has delegated to the Compensation Committee (the “Committee”) the responsibility for determining or recommending to the full Board the compensation of the Company’s executive officers, including the executive officers identified in the Summary Compensation Table (the “Named Executive Officers”).

The Company has continued to exhibit strong recent financial performance relative to its peer group. In recognition of Company financial performance and the contributions made by the Named Executive Officers in 2012 - 2013 the following compensation actions were approved:

- *Merit Increases.* Effective April 2013, most of the Company’s executives received salary rate increases, including all of the Named Executive Officers, other than Mr. Davis who retired on December 31, 2013.

- *Cash Bonuses.* In February 2013 and 2014, cash bonus awards were paid to many senior officers of the Company including all of the Named Executive Officers, other than Mr. Davis.

- *Long-Term Equity-Based Awards.* The Committee uses discretion in determining the frequency of awards and has generally considered awards every 18 to 24 months. In May 2013, a number of executives received long-term equity-based awards. Among that group were the Named Executive Officers (other than Mr. Davis) who received stock-settled stock appreciation rights (SARs) and shares of restricted stock.

- *Stock Awards for Successful VIST Integration.* The Committee approved a stock award in October 2013 which was based on the successful integration of the VIST Financial business into our Company. This stock award was not subject to vesting or forfeiture, and the recipients included all of the Named Executive Officers, other than Mr. Davis.

These decisions as well as the Committee's process in making compensation recommendations are described below.

It should be noted that Mr. Davis retired as the CEO of Tompkins VIST Bank on December 31, 2013, in accordance with the Company's transition plan for the management of Tompkins VIST Bank. Accordingly, Mr. Davis was not considered for, nor did he receive, a merit increase, cash bonus or any equity compensation during 2013.

Compensation Philosophy and Objectives

The primary goal of the Committee is to offer executive compensation that is fair and reasonable, consistent with the Company's size and the compensation practices of the financial services industry generally. Key objectives of the compensation package are to attract, develop, and retain high caliber executives who are capable of maximizing the Company's performance for the benefit of its shareholders. The Board and the Committee maintain full discretion over the components and payment of compensation in order to preserve the flexibility necessary to ensure the Board's ability to act in the Company's best interests.

Tax and Accounting Considerations

The accounting and tax treatment of compensation generally has not been a significant factor in determining the amounts of compensation for our executive officers. However, the Compensation Committee and management have considered the accounting and tax impact of various program designs to balance the potential cost to the Company with the benefit/value to the executive.

Section 162(m) of the Internal Revenue Code generally denies publicly-held corporations a federal income tax deduction for compensation exceeding $1,000,000 paid to the chief executive officer or any of the three other highest paid executive officers (other than the chief financial officer), excluding performance-based compensation. Through December 31, 2013, this provision has not limited the Company's ability to deduct executive compensation. The Committee will continue to monitor the potential impact of Section 162(m) on the Company's ability to deduct executive compensation, and in particular, will review the effect of recent Internal Revenue Service rulings related to performance-based compensation in change-in-control situations. The 2009 Equity Plan has been designed, and is intended to be administered, in a manner that will enable the Company to deduct compensation attributable to options and certain other awards thereunder, without regard to the deduction limitation established by Section 162(m).

Section 409A of the Internal Revenue Code generally changes the tax rules that affect most forms of deferred compensation that were not earned and vested prior to 2005, and imposes an additional tax on certain forms of deferred compensation. The Committee takes Section 409A into account in determining the form and timing of compensation paid to the Company's executives.

The Company values equity incentive awards under FASB ASC Topic 718. More information regarding the application of ASC Topic 718 by the Company may be found in Note 15 (Stock Plans and Stock Based Compensation) to the Company's audited financial statements filed with the SEC in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Compensation Committee and Process

Role of the Compensation Committee, Management, and Consultants

The Committee is responsible for general oversight of personnel policies for the Company and its subsidiaries, including review and administration of: deferred compensation; retirement and supplemental executive retirement plans; long-term equity compensation; and executive compensation plans. The Committee makes determinations or recommends to the Board actions concerning the compensation of executive officers and Company compensation programs. Tasks outlined by the Compensation Committee Charter include, but are not limited to, the following: reviewing the competitiveness of the Company's compensation programs; reviewing and approving annual performance goals and objectives; and evaluating the Chief Executive Officer's and other executive officers' performance as it relates to these goals. The Committee supports the succession planning process in consultation with the Chief Executive Officer. The Committee also discusses and considers the results of the shareholders' non-binding vote on say-on-pay. As permitted by law, the Committee may delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Executive officers do not play a role in determining their own compensation decisions, but they are called on to make recommendations concerning those individuals that report to them.

The Committee also has the authority to retain such outside counsel, experts, and other advisors as it determines appropriate to assist it in the full performance of its functions. In 2013 the Committee retained the services of Mosteller & Associates ("Mosteller") to conduct a peer group selection study. This study has identified financial services organizations similar to Tompkins to be utilized for comparison purposes for executive compensation.

The Company has assessed the independence of Mosteller pursuant to SEC rules and exchange requirements, and has concluded that no conflict of interest exists that would prevent Mosteller from independently representing the Compensation Committee. The Company made this determination based on its receipt of representations from Mosteller addressing the independence of Mosteller, and the Mosteller consultants involved in the engagement, which addressed the following factors: (1) other services provided to us by Mosteller; (2) fees paid by us as a percentage of Mosteller's total revenue, which were less than 1% of Mosteller's total revenue; (3) policies and procedures maintained by Mosteller that are designed to prevent a conflict of interest, a copy of which was provided for our review; (4) the absence of any business or personal relationships between the Mosteller consultants and any member of the Compensation Committee; (5) the fact that no Company stock is owned by Mosteller or any of its consultants; and (6) the absence of any business or personal relationships between our executive officers and the Mosteller consultants. In addition, the Company confirmed the content of Mosteller's responses to items (4) and (6) above directly with the Company's directors and executive officers.

Process of Determining Named Executive Officer Compensation

In furtherance of its objective to attract, develop and retain high caliber executives who are capable of maximizing the Company's performance for the benefit of its shareholders, the Committee periodically compares its compensation levels, practices, and financial performance to survey and publicly available data for a group of banking institutions of similar size, geographic market or structure.

Toward that end, the Committee utilized information from the publicly filed proxy statements of the following companies when considering the compensation of its Chief Executive Officer and the other Named Executive Officers:

Arrow Financial Corporation	National Penn Bancshares, Inc.
Bryn Mawr Bank Corporation	NBT Bancorp Inc.
Camden National Corporation	Old National Bancorp
Community Bank System, Inc.	Park National Corporation
Financial Institutions, Inc.	S&T Bancorp, Inc.
First BanCorp.	Sun Bancorp, Inc.
First Commonwealth Financial Corp.	United Community Banks, Inc.
Hudson Valley Holding Corp.	Washington Trust Bancorp, Inc.
Lakeland Bancorp, Inc.	

The above list of peer companies was modified from the peer group used during the 2012 compensation process to eliminate organizations that were acquired in 2013. As discussed earlier, during 2013 the Committee engaged Mosteller & Associates to conduct an independent peer group selection study, identifying organizations that were comparable in asset size, demographics, lines of business, and corporate performance measures. The results of the Mosteller & Associates study will be used when considering executive compensation during 2014.

The Committee believes that a certain level of discretion is appropriate in determining the Named Executive Officers' compensation. Information from comparative groups is only one factor in the Committee's assessment of appropriate compensation levels, policies, and practices. The Committee does not have a formal policy of targeting a certain percentile of the market data or using market data to establish the mix of compensation (including the allocation between cash and non-cash compensation and short and long-term equity compensation). The Committee also does not have a formal policy regarding the relationship between compensation levels provided to the Chief Executive Officer and other Named Executive Officers.

For fiscal 2013, the Committee considered a number of quantitative and qualitative performance factors to evaluate the performance of its executive officers, including its Chief Executive Officer. The 2012 annual performance factors were considered for the purpose of determining 2013 merit increases while the 2013 annual performance factors were used to determine executive bonuses earned for 2013 and paid in 2014. The factors considered for fiscal 2013 compensation were:

- The Company's net income as compared to the Company's internal targets (in thousands of dollars)

	Actual	Plan	% Change
2013	$50,856	$50,430	0.8 %
2012	$31,285	$36,326	-13.9 %

- Increases in earnings per share (diluted EPS)

	Plan	% Change
2013	3.46	42.4 %
2012	2.43	-24.1 %

- The Company's return on assets (ROA), as ranked in the Federal Reserve Bank Holding Company Performance Report for its peer group

	Actual	Ranking
2013	1.03 %	53rd percentile
2012	0.76 %	35th percentile

- The Company's total return as compared to KBW Regional Banking Index over the following time periods (Annual Equivalent), as of December 31, 2013

	1 Year	5 Year	10 Year
TMP	34.24 %	2.97 %	7.35 %
KBW	46.85 %	8.14 %	2.21 %

- The Company's return on equity (ROE), as ranked in the Federal Reserve Bank Holding Company Performance Report for its peer group

	Actual	Ranking
2013	11.47 %	73rd percentile
2012	8.30 %	74th percentile

The Committee believes that the total compensation provided to the Company's executive officers is competitive, and that the Company's compensation practices for fiscal 2013 were appropriate.

Consideration of Say-on-Pay Results

In 2011, the Company's shareholders determined to hold an advisory vote on executive compensation every three years. Therefore, you are being asked to provide an advisory vote on the compensation practices described above. Because your vote is advisory, it will not be binding upon the Board or Committee; however, the Committee values the input of our Shareholders and will take into account the outcome of the vote when considering future executive compensation arrangements.

Components of Compensation

The major components of the Company's executive officer compensation are: (i) base salary, (ii) annual bonus, (iii) long-term, equity-based awards, and (iv) retirement and other benefits.

Base Salary. The Company's base salary program is designed to recognize the roles and responsibilities of executive officers' positions and their performance in those roles. The Committee annually reviews the salaries of the Company's executives. When setting base salary levels for recommendation to the full Board, the Committee considers (a) competitive market conditions for executive compensation, (b) the Company's performance and (c) the individual's performance. The Company's performance is measured by the Company's strategic and financial performance in the fiscal year, with particular emphasis on earnings per share growth and return on shareholders' equity for the year. Although the Committee considers year-to-year changes in stock price in its evaluation of Company performance, the Committee does not emphasize this criterion because the Committee does not believe that short-term fluctuations in stock price necessarily reflect the underlying strength or future prospects of the Company. Individual performance is measured by the strategic and financial performance of the particular executive officer's operational responsibility in comparison to targeted performance criteria.

The Company maintains a common anniversary date for the merit review process, and related increases in compensation rates occur in April. Following an analysis of the factors described in the preceding paragraph, most of the Company's executives received salary rate increases at this time, including all of the Named Executive Officers (other than Mr. Davis). Mr. Romaine's annual salary rate was increased to $513,600 representing an increase of 7.0%. Messrs. Fulmer, Fetsko and Boyce received annual salary rate increases to $319,000 (+3.5%), $300,000 (+3.5%), and $278,200 (+3.0%) respectively. Mr. Davis annual salary rate remained at $400,000.

Annual Bonus. The Company chooses to pay annual cash bonuses in order to motivate executives to work effectively to achieve the Company's financial performance objectives and to reward them if objectives are met. The Board maintains full discretion in the payment of bonuses in order to preserve the flexibility necessary to ensure its ability to act in the Company's best interests. The Compensation Committee considers a number of quantitative and qualitative performance factors to evaluate the performance of the Named Executive Officers. These performance factors include, but are not limited to: (i) achievement of individual goals; (ii) contribution to business unit results; and (iii) contribution to corporate results measured by (a) the Company's net income as compared to the Company's internal targets, (b) increases in earnings per share of the Company's common stock for the latest 12 months, (c) the Company's return on assets, as ranked in the Federal Reserve Bank Holding Company Performance Report (Peer Group percentile), (d) increases in the Company's stock price over 12 months, and (e) the Company's return on equity, as ranked in the Federal Reserve Bank Holding Company Performance Report (Peer Group percentile). In February 2014, bonus awards were paid to several executives of the Company, including all of the Named Executive Officers with the exception of Mr. Davis. These bonus awards were reflective of individual performance and the performance of the Company in 2013. Mr. Romaine received a bonus of $200,000 and Messrs. Fulmer, Fetsko, and Boyce received bonuses of $93,300, $85,100, and $80,900 respectively.

Long-Term, Equity-Based Awards. The Company chooses to award equity-based compensation in the form of stock options, stock-settled stock appreciation rights and restricted stock because such grants (1) align executive interests with shareholder interests by creating a direct link between compensation and shareholder return, (2) give executives a significant, long-term interest in the Company's success and (3) help retain key executives in a competitive market for executive talent. While the Committee recognizes that the executives of the Company can exert very little influence on short-term fluctuations in stock price, the Committee does believe that long-term stock price appreciation reflects achievement of strategic goals and objectives. Equity awards are granted based on the performance of the individual executive and his or her anticipated contribution to the achievement of the Company's strategic goals and objectives. The Committee has traditionally authorized grants vesting over five or more years to encourage retention of executives. This practice means that at any time there are a significant number of awards granted that are not vested and therefore not exercisable and/or transferable.

The Tompkins Financial Corporation 2009 Equity Plan, which was approved by shareholders, gives the Company flexibility in the types of equity grants awarded in order to align executive and shareholder interests. A total of 922,000 shares were reserved under the 2009 Equity Plan, of which 636,510 have been issued as of the date of this proxy statement. In addition, executives may receive the Company's common stock through the profit sharing component of the Tompkins Financial Corporation Employee Stock Ownership Plan. For a more detailed discussion of the profit sharing component, and other deferred compensation and retirement plans, please see the text accompanying the tables following this section.

The Committee uses discretion in determining the frequency and level of awards. Generally, the Committee will consider market data, the Company's financial performance, and individuals' performance before deciding whether an award should be made and the number of shares to be granted. The Committee is careful to grant equity-based compensation only at times when participants are not in possession of material non-public information. In May 2013, a number of executives received long-term equity-based awards. Among that group were the Named Executive Officers, with the exception of Mr. Davis, who each received stock-settled stock appreciation rights (SARs) and shares of restricted stock. Stock Settled SARS are a right to receive compensation in shares of Company stock equal to the difference between "grant price" and the fair market value of our common stock at the time the right is exercised. Mr. Romaine received Stock Settled SARs for 4,552 shares and 5,462 shares of restricted stock, and Messrs. Fulmer, Fetsko, and Boyce each received Stock Settled SARs for 2,297 shares and 2,757 shares of restricted stock. Mr. Davis was not granted any long-term equity-based awards. More information about the terms and conditions of these grants is available in the "Long-Term Equity-Based Award" tables.

Stock Awards for Successful VIST Integration. The Committee approved a stock award in October 2013 which was based on the successful integration of the VIST Financial business into our Company. This stock award was not subject to vesting or forfeiture, and the recipients included all of the Named Executive Officers, other than Mr. Davis. Following the Compensation Committee's review of the full-year financial results, an equal award was approved and granted in February 2014. The October 2013 grant is included in the Summary Compensation Table below, and the February 2014 grant will be included in the Summary Compensation Table for 2014.

***Retirement and Other Benefits*.**

Retirement Plans. The Company maintains several retirement programs that are designed to assist Company employees with their long-term retirement planning. Substantially all Company employees, including the Named Executive Officers, are eligible to participate in the Investment & Stock Ownership (401(k)) Plan and the Employee Stock Ownership Plan. The Committee believes that, in addition to providing retirement income, these plans have the added benefit of linking compensation to the Company's stock performance. The Company also maintains defined contribution and defined benefit pension plans.

Named Executive Officers may also participate in a non-qualified deferred compensation plan and all of our Named Executive Officers are parties to Supplemental Executive Retirement Plan (SERP) Agreements with the Company (other than Mr. Davis). These plans provide retirement income that may be limited in the qualified plans due to IRS limitations or are intended to provide additional retirement benefits. The Committee believes that the plans and the level of benefits that are provided are appropriate to promote retention and to recognize and reward long-term service to the Company.

For more information regarding these plans, please refer to the narrative accompanying the "Pension Benefit" and "2013 Non-Qualified Deferred Compensation" tables on pages 28 and 33, respectively, in this proxy statement. Information regarding SERP benefits is explained under "Potential Payments upon Termination or Change in Control."

Life Insurance Benefits. As a part of its comprehensive and competitive approach to compensation, the Company provides life insurance benefits to certain officers of the Company, including all of the Named Executive Officers, with respect to which the Company has entered into life insurance contracts. These insurance contracts are carried at cash surrender value on the Company's consolidated statements of financial condition. Increases in the cash surrender value of the insurance are reflected as noninterest income, and the related mortality expense is recognized as other employee benefits expense, in the Company's consolidated statements of income. The value of premiums paid with respect to such life insurance on behalf of the Named Executive Officers are included as "All Other Compensation" in the Summary Compensation Table.

Post-Retirement Life Insurance and Medical Insurance. The Company offers post-retirement life insurance coverage to employees who have worked for the Company for 10 or more years and who retire at or after age 55. All of the Named Executive Officers are entitled to receive life insurance coverage under this policy.

Additionally, Tompkins Trust Company historically offered post-retirement medical coverage to certain employees. Retiree medical insurance subsidized by the Company has been eliminated for new hires after December 31, 2004. The current Tompkins Trust Company retirees and active eligible employees (at least 55 years of age and 10 years of service as of December 31, 2004) are a "grandfathered group" and as such continue to receive a portion of the premium cost of their retiree medical insurance from the Company. There is currently a $3,000 annual cap on the employer payments. None of the Named Executive Officers are part of the "grandfathered group" eligible to receive these premium contributions in retirement.

Perquisites. Perquisites for the Named Executive Officers are limited to personal use of a Company-owned vehicle. The Committee believes that this limited benefit assists the Named Executive Officers in the performance of their duties by providing convenience in light of the significant demands on our Named Executive Officers' time, including frequent car travel on business.

Termination of Employment and Change-in-Control Arrangements. The Company does not have employment contracts with the Named Executive Officers. However, the Company is obligated to provide certain payments to the Named Executive Officers upon termination as part of their Supplemental Executive Retirement Plan (SERP) Agreements. Some of these agreements contain severance provisions carried over from previous agreements with acquired companies. SERP payments due upon termination are explained under the "Potential Payments upon Termination or Change in Control" section of this proxy statement.

Compensation Recovery Policies

The Compensation Committee intends to formulate a compensation recovery policy once regulatory guidance is issued on this topic.

Compensation Committee Report

The information contained in this report shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act or the Exchange Act.

The Compensation Committee has reviewed and discussed the "Compensation Discussion and Analysis" with the management of the Company. Based on the Compensation Committee's review and discussion, the Committee recommended to the Board that the "Compensation Discussion and Analysis" be included in this Proxy Statement and incorporated by reference into the Company's 2013 Annual Report on Form 10-K.

Members of the Compensation Committee:

Craig Yunker, Chair

Thomas R. Rochon

Sandra A. Parker

John E. Alexander

Compensation Committee Interlocks and Insider Participation

The members of the Company's Compensation Committee are identified above under "Compensation Committee Report." No member of the Compensation Committee was during fiscal 2013 or before an officer or employee of the Company or any of the Company's subsidiaries, or had any relationship requiring disclosure under "Transactions with Related Persons" in this proxy statement. No executive officer of the Company has served on the board of directors or compensation committee of any other entity, one of whose executive officers served as a member of the Company's Board of Directors or the Compensation Committee during fiscal 2013.

2013 Summary Compensation Table

The following table sets forth information concerning the total compensation earned by the Company's Chief Executive Officer and Chief Financial Officer and the next three most highly-compensated executive officers of the Company in the fiscal year ended December 31, 2013. These five officers are referred to as the "Named Executive Officers" in this proxy statement.

Name and Principal Position	Year	Salary	**Bonus (1)**	**Stock Awards(2)**	**Option Awards(4)**	Non-Equity Incentive Plan Compensation	**Change in Pension Value and Nonqualified Deferred Compensation Earnings(5)**	**All Other Compensation(6)**	Total
		($)	($)	($)	($)	($)	($)	($)	($)
Stephen S. Romaine	2013	505,846	200,000	365,897 (3)	59,589	—	0	37,338	1,168,670
President & CEO of	2012	474,898	144,000	0	0	—	464,956	114,453	1,198,307
Tompkins	2011	451,923	175,000	127,083	97,276	—	637,170	75,614	1,564,066
James W. Fulmer	2013	316,519	93,300	172,670 (3)	29,034	—	0	34,131	645,654
Vice Chair of the	2012	305,515	75,000	0	0	—	277,341	38,233	696,089
Company; Chairman,	2011	293,769	84,500	63,542	48,638	—			