

TOMPKINS FINANCIAL CORP
Form DEF 14A
April 13, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
Information Required in Proxy Statement
Schedule 14A Information

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

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o 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):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 2) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

April 15, 2011

NOTICE OF 2011 ANNUAL MEETING OF STOCKHOLDERS

TO THE STOCKHOLDERS OF TOMPKINS FINANCIAL CORPORATION

The annual meeting of stockholders (the "Meeting") of Tompkins Financial Corporation ("Tompkins Financial" or the "Company") will be held on Monday, May 16, 2011 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 seventeen (17) Directors for a term of one year expiring in the year 2012;
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, 2011;
3. To conduct an advisory vote on the compensation of the Company's executives, as described in these materials;
4. To conduct an advisory vote as to whether the advisory shareholder vote on compensation will occur every 1, 2 or 3 years; and
5. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 18, 2011 as the record date for determining stockholders entitled to notice of and to vote at the Meeting. Only stockholders of record at the close of business on that date are entitled to vote at the Meeting.

A stockholder's information meeting for our stockholders in western New York will be held at 5:30 p.m. on Tuesday, May 17, 2011, at Terry Hills Restaurant, 5122 Clinton Street Road (Rt. 33), Batavia, New York.

A stockholder's information meeting for our stockholders in the Hudson Valley will be held at 6:00 p.m. on Wednesday, May 25, 2011, at Sinapi's Ceola Manor, Hill Blvd., Jefferson Valley, New York.

Enclosed with this notice are a proxy statement, a form of proxy and return envelope, instructions for voting by telephone or via the Internet, the Company's Annual Report on Form 10-K for the Company's 2010 fiscal year, and the Company's 2010 Corporate Report to stockholders.

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the 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 Tompkins Financial prior to the Meeting, or by attending the Meeting and filing a written notice of revocation with the Corporate Secretary at the Meeting prior to the vote and voting in person.

By Order of the Board of Directors,

/s/ James J. Byrnes
James J. Byrnes

/s/ Linda M. Carlton
Linda M. Carlton

Chairman

Asst. Vice President & Corporate Secretary

P.O. BOX 460, ITHACA, NEW YORK 14851 (607) 273-3210

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE STOCKHOLDER MEETING TO BE HELD MAY 16, 2011**

The proxy statement and annual report to security holders are available under the "SEC Filings" tab at
www.tompkinsfinancial.com.

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PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 16, 2011

This proxy statement together with the form of proxy is being mailed to stockholders on or about April 15, 2011 in connection with the solicitation by the Board of Directors of Tompkins Financial Corporation (“Tompkins Financial” or the “Company”) of proxies to be used at the annual meeting of stockholders (the “Meeting”) of the Company to be held at the Country Club of Ithaca, 189 Pleasant Grove Road, Ithaca, New York on Monday, May 16, 2011 at 5:30 p.m., and any adjournment thereof.

Voting

Only stockholders of record at the close of business on March 18, 2011 will be entitled to vote. On March 18, 2011, there were 10,951,947 shares of common stock of the Company, par value \$0.10 per share (the “Common Stock”), outstanding and eligible to vote. Each share of Common Stock is entitled to one vote on each matter to be voted on at the Meeting.

Stockholders 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 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 stockholder 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 the Company’s independent auditor for the fiscal year ending December 31, 2011, the advisory vote on executive compensation, and advisory vote as to the frequency of the advisory vote on executive compensation, the Board is not aware of any other matters to be presented for stockholder action at the Meeting. However, if other matters do properly come before the Meeting or any adjournments thereof, the Board of Directors 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 stockholder at the Meeting will not automatically revoke a proxy previously delivered by that stockholder. A stockholder 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 Meeting, (2) delivering to the Corporate Secretary a duly executed proxy bearing a later date, or (3) attending the Meeting and filing a written notice of revocation with the Corporate Secretary at the 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 Meeting is necessary to constitute a quorum for the conduct of business at the Meeting and, in the event there are not sufficient votes on any matter, the Meeting may be adjourned.

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 shares 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, 2011	An affirmative vote of a majority of all 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, 2011
Proposal No. 3	Vote Required	Board of Directors Recommendation
Advisory vote on the 2010 executive compensation of Named Executive Officers (NEOs)	An affirmative vote of a majority of all votes cast by the holders of Common Stock entitled to vote thereon	“FOR” the advisory approval of the NEO compensation described herein

Proposal No. 4	Vote Required	Board of Directors Recommendation
Advisory vote as to the frequency of vote on executive compensation	A plurality of votes cast by holders of shares of Common Stock entitled to vote thereon	“FOR” the option of “3” years as the preferred frequency for future advisory votes on executive compensation

Abstentions and Broker Non-votes

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. Effective January 1, 2010, brokers are no longer permitted to vote on the election of Directors without instructions from their customers. Broker non-votes and abstentions will have no effect on any of the proposals.

Solicitation of Proxies

The total cost of solicitation of proxies in connection with the Meeting will be borne by the Company. In addition to solicitation by mail, Directors, officers and employees of the Company may solicit proxies for the 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.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth certain information, as of March 18, 2011, with respect to the beneficial ownership of the Company's Common Stock by: (1) each stockholder 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; and (4) all executive officers and Directors as a group. Except as otherwise indicated, each of the stockholders named below has sole voting and investment power with respect to the outstanding shares of Common Stock beneficially owned.

Names	Common Stock Ownership		Percent of
	Number of Shares		Outstanding
	Beneficially Owned		Shares(1)
	or Held in Deferred Trust		
Directors, Nominees and Executive Officers			
John E. Alexander+,++	37,548	(2)	**
Robert B. Bantle*	28,105	(3)	**
Paul J. Battaglia+,++	3,162	(4)	**
James J. Byrnes+,++	45,036		**
Daniel J. Fessenden+,++	1,828	(5)	**
Francis M. Fetsko*	39,083	(6)	**
James W. Fulmer*,+,++	118,187	(7)	1.06
Reeder D. Gates+,++	130,529	(8)	1.12
James R. Hardie+,++	72,041	(9)	**
Carl E. Haynes+,++	4,943	(10)	**
Susan A. Henry+,++	622	(11)	**
Patricia A. Johnson+,++	2,407	(12)	**
Gerald J. Klein, Jr.*	34,982	(13)	**
Sandra A. Parker+,++	200		**
Thomas R. Rochon+,++	1,695	(14)	**
Stephen S. Romaine*,+,++	53,024	(15)	**
Thomas R. Salm+,++	11,413	(16)	**
Michael H. Spain+,++	472,971	(17)	4.21
William D. Spain, Jr.,++	468,176	(18)	4.18
Craig Yunker+,++	16,894	(19)	**
All Directors and executive officers as a group (25 persons)	1,194,204		10.52
Tompkins Trust Company in the fiduciary capacity indicated:			
Executor, Trustee or Co-Trustee	794,388	(20)	7.12
Agent or Custodian	777,258	(20)	6.97
Tompkins Trust Company in the fiduciary capacity indicated (Plan shares held in custody by Prudential Investment Management Services, LLC):			
Trustee for the Tompkins Financial Employee Stock Ownership and Investment & Stock Ownership Plans	706,112	(21)	6.33

- * Named Executive Officer
- + Currently a Director of the Company
- ++ Director Nominee
- ** Less than 1 percent

- (1) The number of shares beneficially owned by each person or group as of March 18, 2011, includes shares of Common Stock that such person or group had the right to acquire on or within 60 days after March 18, 2011, including, but not limited to, upon the exercise of options. References to options in these footnotes include only options to purchase shares that were exercisable on or within 60 days after March 18, 2011. 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 10,951,947 shares of Common Stock outstanding and eligible to vote on March 18, 2011 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 18, 2011. The percentages listed in this column do not include shares acquired pursuant to the Company's Amended and Restated Retainer Plan for Eligible Directors of Tompkins Financial Corporation and its wholly-owned subsidiaries (the "Retainer Plan") and held in a deferred trust account (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 Company Board Compensation," page 14.

- (2) Includes 453 shares owned by Mr. Alexander's spouse and 7,469 shares acquired pursuant to the Retainer Plan and held in a deferred trust account; however, Directors have no voting or investment power with respect to such shares.
- (3) Includes 4,461 shares held in the Company's Employee Stock Ownership and Investment & Stock Ownership Plans and 18,172 shares that Mr. Bantle may acquire by exercise of options exercisable at March 18, 2011 or 60 days thereafter.
- (4) Includes 2,973 shares owned by Mr. Battaglia's spouse and 189 shares acquired pursuant to the Retainer Plan and held in a deferred trust account; however, Directors have no voting or investment power with respect to such shares.
- (5) Includes 918 shares acquired pursuant to the Retainer Plan and held in a deferred trust account; however, Directors have no voting or investment power with respect to such shares.
- (6) Includes 3,794 shares held in the Company's Employee Stock Ownership and Investment & Stock Ownership Plans and 32,734 shares that Mr. Fetsko may acquire by exercise of options exercisable at March 18, 2011 or 60 days thereafter.
- (7) Includes 12,937 shares held in the Company's Employee Stock Ownership Plan, 25,597 shares owned by Mr. Fulmer's spouse, 451 shares held by Mr. Fulmer as Custodian for his son under the Uniform Transfers to Minors Act, and 25,280 shares that Mr. Fulmer may acquire by exercise of options exercisable at March 18, 2011 or 60 days thereafter.
- (8) Includes 3,201 shares owned by Mr. Gates' spouse and 5,193 shares acquired pursuant to the Retainer Plan and held in a deferred trust account; however, Directors have no voting or investment power with respect to such shares.
- (9) Includes 629 shares held in the Company's Employee Stock Ownership Plan and 1,412 shares acquired pursuant to the Retainer Plan and held in a deferred trust account; however, Directors have no voting or investment power with respect to such shares.
- (10) Includes 3,983 shares acquired pursuant to the Retainer Plan and held in a deferred trust account; however, Directors have no voting or investment power with respect to such shares.
- (11) Includes 622 shares acquired pursuant