VALLEY NATIONAL BANCORP
Form PRE 14A
February 21, 2017

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No.   )

Filed by the Registrant ý

Filed by a Party other than the Registrant ¨

Check the appropriate box:

ý 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	

Valley National Bancorp
(Name of Registrant as Specified In Its Charter)

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

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ý No fee required.
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(3) Filing Party:
(4) Date Filed:

1455 VALLEY ROAD
WAYNE, NEW JERSEY 07470
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD, THURSDAY, APRIL 27, 2017

To Our Shareholders:
We invite you to the Annual Meeting of Shareholders of Valley National Bancorp ("Valley") to be held at 100 Furler Street, Totowa, NJ on Thursday, April 27, 2017 at 9:00 a.m., local time to vote on the following matters:

1. Election of 12 directors;
2. Ratification of the appointment of KPMG LLP as Valley's independent registered public accounting firm for the fiscal year ending December 31, 2017;
3. An advisory vote on executive compensation;
4. An advisory vote on the frequency of advisory votes on executive compensation; and
5. An amendment to the Restated Certificate of Incorporation of Valley National Bancorp to increase the number of authorized shares of common stock and preferred stock.

We provide access to our proxy materials to certain of our shareholders via the Internet instead of mailing paper copies of the materials. This reduces both the amount of paper necessary to produce the materials and the costs associated with printing and mailing the materials to all shareholders. The Notice of Internet Availability of Proxy Materials (“E-Proxy Notice”), which contains instructions on how to access the notice of annual meeting, proxy statement and annual report on the Internet and how to execute your proxy, is first being mailed to holders of our common stock on or about March 17, 2017. This notice also contains instructions on how to request a paper copy of the proxy materials.

Only shareholders of record at the close of business on Monday, February 27, 2017 are entitled to notice of, and to vote at the meeting. Your vote is very important. Whether or not you plan to attend the meeting, please vote in accordance with the instructions provided in the E-Proxy Notice. If you receive paper copies of the proxy materials, please execute and return the enclosed proxy card in the envelope provided or submit your proxy by telephone or the Internet as instructed on the enclosed proxy card. The prompt return of your proxy will save Valley the expense of further requests for proxies.

Attendance at the meeting is limited to shareholders or their proxy holders and Valley guests. Only shareholders or their valid proxy holders may address the meeting. Please allow ample time for the admission process. See information on page [3] – “Annual Meeting Attendance.”

If you accessed this proxy statement through the Internet after receiving an E-Proxy Notice, you may cast your vote by telephone or over the Internet by following the instructions in that Notice. If you received this proxy statement by mail, you may cast your vote by mail, by telephone or over the Internet by following the instructions on the enclosed proxy card.

We appreciate your participation and interest in Valley.

Sincerely,

Alan D. Eskow	Gerald H. Lipkin
Corporate Secretary	Chairman and Chief Executive Officer

Wayne, New Jersey
March 17, 2017

Important notice regarding the availability of proxy materials for the 2017 Annual Meeting of Shareholders: This Proxy Statement for the 2017 Annual Meeting of Shareholders, our 2016 Annual Report to Shareholders and the proxy card or voting instruction form are available on our website at: http://www.valleynationalbank.com/filings.html.

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VALLEY NATIONAL BANCORP
1455 Valley Road
Wayne, New Jersey 07470
PROXY STATEMENT

GENERAL INFORMATION

We are providing this proxy statement in connection with the solicitation of proxies by the Board of Directors of Valley National Bancorp (“Valley,” the “Company,” “we,” “our” and “us”) for use at Valley’s 2017 Annual Meeting of Shareholders (the “Annual Meeting”) and at any adjournment or postponement of the meeting. You are cordially invited to attend the meeting, which will be held at 100 Furler Street, Totowa, NJ, on Thursday, April 27, 2017 at 9:00 a.m., local time. This proxy statement is first being made available to shareholders on or about March 17, 2017.

E-PROXY

Pursuant to the rules of the Securities and Exchange Commission ("SEC"), we are furnishing our proxy materials to certain shareholders over the Internet. Most shareholders are receiving by mail a Notice of Internet Availability of Proxy Materials ("E-Proxy Notice"), which provides general information about the annual meeting, the matters to be voted on at the annual meeting, the website on which our proxy statement and annual report are available for review, printing and downloading, and instructions on how to submit proxy votes. The E-Proxy Notice also provides instructions on how to request a paper copy of the proxy materials and how to elect to receive a paper copy of the proxy materials or electronic copy of the proxy materials by e-mail for future meetings.

Shareholders who are current employees of Valley or who have elected to receive proxy materials via electronic delivery will receive via e-mail the proxy statement, annual report and instructions on how to vote. Shareholders who elect to receive paper copies of the proxy materials will receive these materials by mail.

The 2017 notice of annual meeting of shareholders, this proxy statement, the Company’s 2016 annual report to shareholders and the proxy card or voting instruction form are referred to as our “proxy materials”, and are available electronically at the following website: http://www.valleynationalbank.com/filings.html.

SHAREHOLDERS ENTITLED TO VOTE

The record date for the meeting is Monday, February 27, 2017. Only holders of common stock of record at the close of business on that date are entitled to vote at the meeting.

On the record date there were [ ] shares of common stock outstanding. Each share is entitled to one vote on each matter properly brought before the meeting.

HOUSEHOLDING

When more than one holder of our common stock shares the same address, we may deliver only one E-Proxy Notice or set of proxy materials, as applicable, to that address unless we have received contrary instructions from one or more of those shareholders. Similarly, brokers and other intermediaries holding shares of Valley common stock in “street name” for more than one beneficial owner with the same address may deliver only one E-Proxy Notice or set of proxy materials, as applicable, to that address if they have received consent from the beneficial owners of the stock.

We will deliver promptly upon written or oral request a separate copy of the E-Proxy Notice or set of proxy materials, as applicable, to any shareholder of record at a shared address to which a single copy of those documents was delivered. To receive these additional copies, you may write or call to Tina Zarkadas, Assistant Vice President, Shareholder Relations Specialist, Valley National Bancorp, at 1455 Valley Road, Wayne, NJ 07470, telephone (973) 305-3380 or e-mail her at tscortes@valleynationalbank.com. If your shares are held in “street name”, you should contact the broker or other intermediary who holds the shares on your behalf to request an additional copy of the E-Proxy Notice or set of proxy materials.

If you are a shareholder of record and are either receiving multiple E-Proxy Notices or multiple paper copies of the proxy materials, as applicable, and wish to request future delivery of a single copy or are receiving a single E-Proxy Notice or copy of the proxy materials, as applicable, and wish to request future delivery of multiple copies, please contact Ms. Zarkadas at the address or telephone number above. If your shares are held in “street name”, you should contact the broker or other intermediary who holds the shares on your behalf.

PROXIES AND VOTING PROCEDURES

Your vote is important and you are encouraged to vote your shares promptly. Each proxy submitted will be voted as directed. However, if a proxy solicited by the Board of Directors does not specify how it is to be voted, it will be voted as the Board recommends—that is:

- Item 1 – FOR the election of each of the 12 nominees for director named in this proxy statement;
- Item 2 – FOR the ratification of the appointment of KPMG LLP;
- Item 3 – FOR the approval, on an advisory basis, of the compensation of our named executive officers;
- Item 4 – that future advisory votes on executive compensation be held EVERY YEAR; and
- Item 5 – FOR the approval of the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock and preferred stock.

We are offering you three alternative ways to vote your shares:

BY INTERNET. If you wish to vote using the Internet, you can access the web page at www.voteproxy.com and follow the on-screen instructions or scan the QR code on your E-Proxy Notice or proxy card with your smartphone. Have your proxy card available when you access the web page.

BY TELEPHONE. If you wish to vote by telephone, call toll-free 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries from any touch-tone telephone and follow instructions. Have your E-Proxy Notice or proxy card available when you call.

BY MAIL. To vote your proxy by mail, please sign your name exactly as it appears on your proxy card, date, and mail your proxy card in the envelope provided as soon as possible.

Regardless of the method that you use to vote, you will be able to vote in person or revoke your earlier proxy if you follow the instructions provided below in the sections entitled "Voting in Person" and "Revoking Your Proxy". If you are a participant in the Company's Dividend Reinvestment Plan, the shares that are held in your dividend reinvestment account will be voted in the same manner as your other shares, whether you vote by mail, by telephone or by Internet.

If you are an employee or former employee of the Company, and participate in our Savings and Investment Plan (a 401(k) plan with an employee stock ownership feature—"KSOP"), you will receive a separate proxy card representing the total shares you own through this plan. The proxy card will serve as a voting instruction form for the plan trustee. The plan trustee will vote plan shares for which voting instructions are not received in the same proportion as the shares for which instructions were received under the plan.

VOTING IN PERSON. The method by which you vote will not limit your right to vote at the meeting if you later decide to attend in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a

proxy executed in your favor from the holder of record to be able to vote at the meeting. If you submit a proxy and then wish to change your vote or vote in person at the meeting, you will need to revoke the proxy that you have submitted, as described below.

REVOKING YOUR PROXY

You can revoke your proxy at any time before it is exercised by:

- Delivery of a properly executed, later-dated proxy; or
- A written revocation of your proxy.

A later-dated proxy or written revocation must be received before the meeting by the Corporate Secretary of the Company, Alan D. Eskow, Valley National Bancorp, at 1455 Valley Road, Wayne, NJ 07470, or it must be delivered to the Corporate Secretary at the meeting before proxies are voted. You may also revoke your proxy by submitting a new proxy via telephone or the Internet. You will be able to change your vote as many times as you wish prior to the Annual Meeting and the last vote received chronologically will supersede any prior votes.

QUORUM REQUIRED TO HOLD THE ANNUAL MEETING

The presence, in person or by proxy, of the holders of a majority of the shares entitled to vote generally for the election of directors is necessary to constitute a quorum at the meeting. Abstentions and broker "non-votes" are counted as present and entitled to vote for purposes of determining a quorum. A broker "non-vote" occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary power to vote with respect to that item and has not received voting instructions from the beneficial owner. Brokers do not have discretionary power to vote on the following items absent instructions from the beneficial owner: the election of directors (Item 1), the advisory vote on executive compensation (Item 3), the advisory vote on the frequency of advisory votes on executive compensation (Item 4) or the amendment to the certificate of incorportion (Item 5).

REQUIRED VOTE

• To be elected to a new term, directors must receive a majority of the votes cast (the number of shares voted "FOR" a nominee must exceed the number of shares voted "AGAINST" the nominee). Each nominee for director has tendered an irrevocable resignation that will become effective if he or she fails to receive a majority of the votes cast at the annual meeting and the Board accepts the tendered resignation. Abstentions and broker non-votes are not counted as votes cast and have no effect on the election of a director. If there is a contested election (which is not the case in 2017), directors would be elected by a plurality of votes cast at the meeting.

- The ratification of the appointment of KPMG LLP will be approved if a majority of the votes cast are voted FOR the proposal. Abstentions and broker non-votes are not counted as votes cast and will have no impact on the outcome.
- The advisory vote on executive compensation will be approved if a majority of the votes cast are voted FOR the proposal. Abstentions and broker non-votes are not counted as votes cast and will have no effect on the outcome.
- The advisory vote on the option of every year, every 2 years and every 3 years that receives the highest number of votes cast by shareholders will be the frequency for future advisory votes on executive compensation that has been selected by shareholders. Abstentions and broker non-votes are not counted as votes cast and will have no impact on the outcome.

- The vote to approve the amendment to Valley's Restated Certificate of Incorporation to increase the number of authorized shares of Valley's common stock and preferred stock will be approved if a majority of the votes cast by the holders of Valley common stock are voted FOR such proposal. Abstentions and voted broker non-votes are not counted as votes cast and will have no effect on the outcome.

ANNUAL MEETING ATTENDANCE

Only shareholders or their proxy holders and Valley guests may attend the Annual Meeting. For registered shareholders receiving paper copies or the proxy matericals, an admission ticket is attached to your proxy card. Please detach and bring the admission ticket with you to the meeting. For other registered shareholders, please bring your E-Proxy Notice to be admitted to the meeting.

If your shares are held in street name, you must bring to the meeting evidence of your stock ownership indicating that you beneficially owned the shares on the record date for voting and a valid form of photo identification to be allowed access. If you wish to vote at the meeting, you must bring a proxy executed in your favor from the holder of record.

METHOD AND COST OF PROXY SOLICITATION

This proxy solicitation is being made by our Board of Directors and we will pay the cost of soliciting proxies. Proxies may be solicited by officers, directors and employees of the Company in person, by mail, telephone, facsimile or other electronic means. We will not specially compensate

those persons for their solicitation activities. In accordance with the regulations of the SEC and the New York Stock Exchange ("NYSE"), we will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expense incurred in sending proxies and proxy materials to their customers who are beneficial owners of Valley common stock. We are paying Laurel Hill Advisory Group, LLC - US a fee of $8,000 plus out of pocket expenses to assist with solicitation of proxies.

ITEM 1
ELECTION OF DIRECTORS
DIRECTOR INFORMATION

We are asking you to vote for the election of directors. Under our by-laws, the Board of Directors (the “Board”) fixes the exact number of directors, with a minimum of 5 and a maximum of 25. The number of directors has been fixed by the Board at 12.

The persons named as proxies intend to vote the proxies FOR the election of the 12 persons named below (unless the shareholder otherwise directs). If, for any reason, any nominee becomes unavailable for election and the Board selects a substitute nominee, the proxies will be voted for the substitute nominee selected by the Board. The Board has no reason to believe that any of the named nominees is not available or will not serve if elected. The Board retains the right to reduce the number of directors to be elected if any nominee is not available to be elected.

Each candidate for director has been nominated to serve a one-year term until our 2018 annual meeting and thereafter until the person’s successor has been duly elected and qualified. In considering a candidate for director, the Board seeks to ensure that the Board is composed of members whose particular experience, qualifications, attributes and skills, as a whole, can satisfy its supervision responsibilities effectively. To accomplish this, guidelines are set by the Nominating and Corporate Governance Committee, further discussed below under the Corporate Governance section.

Set forth below are the names and ages of the Board’s nominees for election; the nominees’ position with the Company (if any); the principal occupation or employment of each nominee for at least the past five years; the period during which each nominee has served as our director; any other directorships during the past five years held by the nominee with companies registered pursuant to Section 12 of the Exchange Act of 1934, as amended (the "Exchange Act") or subject to the requirements of Section 15(d) of the Securities Exchange Act or registered as an investment company under the Investment Company Act of 1940; and other biographical information for each individual director. In addition, described below is each director nominee’s particular experience, qualification, attributes or skills that has led the Board to conclude that the person should serve as a director of Valley.

Consistent with our Corporate Governance Guidelines, Mr. Barnett Rukin is retiring as a director after over 25 years of service on our Board. We thank him for his expertise and dedication during his service.

Gerald H. Lipkin, 76

Chairman of the Board and Chief Executive Officer of Valley National Bancorp and Valley National Bank.

Director since: 1986

Other directorships: Federal Reserve Bank of New York (FRBNY); Federal Home Loan Bank of New York (FHLBNY)

Mr. Lipkin began his career at Valley in 1975 as a Senior Vice President and lending officer, and has spent his entire business career directly in the banking industry. He became CEO and Chairman of Valley in 1989. Prior to joining Valley, he spent 13 years in various positions with the Comptroller of the Currency as a bank examiner and then Deputy Regional Administrator for the New York region. Mr. Lipkin was elected a Class A director to the Federal Reserve Bank of New York in 2013. He serves on the Federal Home Loan Bank of New York’s Board as a Member Director representing New Jersey for a four year term that commenced on January 1, 2014. Mr. Lipkin is a graduate of Rutgers University where he earned a Bachelor’s Degree in Economics. He received a Master’s Degree in Business Administration in Banking and Finance from New York University. He is also a graduate of the Stonier School of Banking. Mr. Lipkin’s education, his over 51 years of experience in lending and commercial banking in conjunction with his leadership ability make him a valuable member of our Board of Directors.

Andrew B. Abramson, 63

President and Chief Executive Officer, Value Companies, Inc. (a real estate development and property management firm).

Director since: 1994

Mr. Abramson is a licensed real estate broker in the States of New Jersey and New York. He graduated from Cornell University with a Bachelor's Degree, and a Master's Degree, both in Civil Engineering. With 37 years as a business owner, an investor and developer in real estate, he brings management, financial, and real estate market experience and expertise to Valley's Board of Directors.

Peter J. Baum, 61

Chief Financial Officer and Chief Operating Officer, Essex Manufacturing, Inc. (manufacturer, importer and distributor of consumer products).
Director since: 2012

Mr. Baum joined Essex Manufacturing, Inc. in 1978 as an Asian sourcing manager. Essex Manufacturing, Inc. has been in business over 54 years and imports various consumer products from Asia. Essex distributes these products to large retail customers in the U.S. and globally. Mr. Baum graduated from The Wharton School at the University of Pennsylvania in 1978 with a B.S. in Economics. Mr. Baum brings over 35 years of business experience including as a business owner for 19 years. Mr. Baum also brings financial experience and expertise to Valley's Board of Directors.

Pamela R. Bronander, 60

Vice President, KMC Mechanical, Inc.; President, Kaye Mechanical Contractors LLC (mechanical contractor).
Director since: 1993

Ms. Bronander has full managerial responsibility for the financial, operational, human resources, and legal aspects of two mechanical contracting companies: K.M.C. Mechanical, Inc and Kaye Mechanical Contractors, LLC that serve the Tristate area. Ms. Bronander was formerly an officer of Scandia Packaging Machinery Company. She graduated with a Bachelor's Degree in Economics from Lafayette College. Ms Bronander brings years of general business, managerial and small business financial expertise to Valley's Board of Directors.

Eric P. Edelstein, 67

Consultant.
Director since: 2003

Mr. Edelstein is a former Director of Aeroflex, Incorporated and Computer Horizon Corp.; former Executive Vice President and Chief Financial Officer of Griffon Corporation (a diversified manufacturing and holding company), and a former Managing Partner at Arthur Andersen LLP (an accounting firm). Mr. Edelstein was employed by Arthur Andersen LLP for 30 years and held various roles in the accounting and audit division, as well as the management consulting division. He received his Bachelor's Degree in Business Administration and his Master's Degree in Professional Accounting from Rutgers University. With 30 years of experience as a practicing CPA and as a management consultant, Mr. Edelstein brings in-depth knowledge of generally accepted accounting and auditing standards as well as a wide range of business expertise to our Board. He has worked with audit committees and boards of directors in the past and provides Valley's Board of Directors with extensive experience in auditing and preparation of financial statements.

Mary J. Steele Guilfoile, 63
Chairman of MG Advisors, Inc. (financial services merger and acquisition advisory and consulting firm).
Director since: 2003
Other directorships: Interpublic Group of Companies, Inc., CH Robinson Worldwide

Ms. Guilfoile is the former Executive Vice President and Corporate Treasurer of J.P. Morgan Chase & Co. (a global financial services firm) and a former Partner, Chief Financial Officer and Chief Operating Officer of The Beacon Group, LLC (a private equity, strategic advisory and wealth management partnership). Ms. Guilfoile is Chairman of MG Advisors, Inc. and is also a Partner of The Beacon Group L.P. (a private investment group), a CPA, Chairman of the Audit Committee of Interpublic Group of Companies, Inc., and was Chairman of the Audit Committee of Viasys Healthcare, Inc. She received her Bachelor's Degree in Accounting from Boston College Carroll School of Management and her Master's Degree in Business Administration with concentrations in strategic marketing and finance from Columbia University Graduate School of Business. With her wide range of professional experience and knowledge, Ms. Guilfoile brings a variety of business experience in corporate governance, risk management, accounting, auditing, investment and management expertise to Valley's Board of Directors.

Graham O. Jones, 72

Partner and Attorney, at law firm of Jones & Jones.
Director since: 1997

Mr. Jones has been practicing law since 1969, with an emphasis on banking law since 1980. He has been a Partner of Jones & Jones since 1982 and served as the former President and Director of Hoke, Inc., (manufacturer and distributor of fluid control products). He was a Director and General Counsel for 12 years at Midland Bancorporation, Inc. and

Midland Bank & Trust Company. Mr. Jones was a partner at Norwood Associates II for 10 years and was a President and Director for Adwildon Corporation (bank holding company). Mr. Jones received his Bachelor's Degree from Brown University and his Juris Doctor Degree from the University of North Carolina School of Law. With his business and banking affiliations, including partnerships and directorships, as well as professional and civic affiliations, he brings a long history of banking law expertise and a variety of business experience and professional achievements to Valley's Board of Directors.

Gerald Korde, 73

President, Birch Lumber Company, Inc. (wholesale and retail lumber distribution company).
Director since: 1989

Mr. Korde is the owner of Birch Lumber Company, Inc. and has various business interests including real estate investment projects with Chelsea Senior Living and Inglemoor Care Center of Livingston. He earned a Bachelor's Degree in Finance from the University of Cincinnati. Mr. Korde's years of general business and managerial expertise, including his background as a former owner and manager of motels, provides a long history of entrepreneurship and managerial knowledge that brings value to Valley's Board of Directors.

Michael L. LaRusso, 71

Financial Consultant.
Director since: 2004

Mr. LaRusso is a former Executive Vice President and a Director of Corporate Monitoring Group at Union Bank of California. He held various positions as a federal bank regulator with the Comptroller of the Currency for 23 years and assumed a senior bank executive role for 15 years in large regional and/or multinational banking companies (including Wachovia, Citicorp and Union Bank of California). He holds a Bachelor's Degree in Finance from Seton Hall University and he is also a graduate of the Stonier School of Banking. Mr. LaRusso's extensive management and leadership experience with these financial institutions positions him well to serve on Valley's Board of Directors.

Marc J. Lenner, 51

Chief Executive Officer and Chief Financial Officer of Lester M. Entin Associates (a real estate development and management company).
Director since: 2007

Mr. Lenner became the Chief Executive Officer and Chief Financial Officer at Lester M. Entin Associates in January 2000 after serving in various other executive positions within the company. He has experience in multiple areas of commercial real estate markets throughout the country (with a focus in the New York tri-state area), including management, acquisitions, financing, development and leasing. Mr. Lenner is the Co-Director of a charitable foundation where he manages a multi-million dollar equity and bond portfolio. Prior to Lester M. Entin Associates, he was employed by Hoberman Miller Goldstein and Lesser, P.C., an accounting firm. He attended Muhlenberg College where he earned a Bachelor's Degree in both Business Administration and Accounting. With Mr. Lenner's financial and professional background, he provides management, finance and real estate experience to Valley's Board of Directors.

Suresh L. Sani, 52

President, First Pioneer Properties, Inc. (a commercial real estate management company).
Director since: 2007

Mr. Sani is a former associate at the law firm of Shea & Gould. As president of First Pioneer Properties, Inc., he is responsible for the acquisition, financing, developing, leasing and managing of real estate assets. He has over 25 years of experience in managing and owning commercial real estate in Valley's lending market area. Mr. Sani received his Bachelor's Degree from Harvard College and a Juris Doctor Degree from the New York University School of Law. He brings a legal background, small business network management and real estate expertise to Valley's Board of Directors.

Jeffrey S. Wilks, 57

Principal and Executive Vice President of Spiegel Associates (a real estate ownership and development company).
Director since: 2012
Other directorships: State Bancorp, Inc.

Mr. Wilks served as a director of State Bancorp, Inc. from 2001 to 2011 and was appointed to Valley's Board of Directors in connection with Valley's acquisition of State Bancorp, Inc., effective January 1, 2012. From 1992 to 1995 Mr. Wilks was an Associate Director of Sandler O'Neill, an investment bank specializing in the banking industry. Prior to that, Mr. Wilks was a Vice President of Corporate Finance at NatWest USA and Vice President of NatWest USA Capital Corp. and NatWest Equity Corp., each an investment affiliate of NatWest USA. Mr. Wilks serves on the board of directors of the New Cassell Business Association, is a member of the Board of Trustees of Central Synagogue, New York, is a member of the board of the Museum at Eldridge Street, and is a member of the Board of City Parks Foundation. Mr. Wilks served as Director of the Banking and Finance Committee of the UJA - Federation of New York from 1991 to 2001. Mr. Wilks earned his BSBA in Accounting and Finance from Boston University. Mr. Wilks brings experience in banking, finance and investments to Valley's Board of Directors.

RECOMMENDATION ON ITEM 1

THE VALLEY BOARD UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE NOMINATED SLATE OF DIRECTORS.

ITEM 2

RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed KPMG LLP ("KPMG") as our independent registered public accounting firm to audit Valley's financial statements for 2017. We are asking you to ratify that appointment.

KPMG audited our books and records for the years ended December 31, 2016, 2015 and 2014. The fees billed for services rendered to us by KPMG for the years ended December 31, 2016 and 2015 were as follows:

	2016	2015
Audit fees	$1,332,750	$1,395,000
Audit-related fees (1)	291,000	333,200
Tax fees (2)	6,345	6,993
All other fees (3)	0	44,000
Total	$1,630,095	$1,779,193

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(1) Fees paid for benefit plan audits and a review of Form S-3, Form S-4, and S-8 registration statements and related expert consents.

(2) Includes fees rendered in connection with tax services relating to state and local matters.

(3) Consulting fees related to non-audit services.

The Audit Committee maintains a formal policy concerning the pre-approval of audit and non-audit services to be provided by its independent accountants to Valley. The policy requires that all services to be performed by KPMG, including audit services, audit-related services and permitted non-audit services, be pre-approved by the Audit Committee. Specific services being provided by the independent accountants are regularly reviewed in accordance with the pre-approval policy. At each subsequent Audit Committee meeting, the Audit Committee receives updates on the services actually provided by the independent accountants, and management may also present additional services for pre-approval.

All services rendered by KPMG are permissible under applicable laws and regulations, and the Audit Committee pre-approved all audit, audit-related and non-audit services performed by KPMG during fiscal 2016. Representatives of KPMG will be available at the annual meeting and will have the opportunity to make a statement and answer appropriate questions from shareholders.

RECOMMENDATION ON ITEM 2

THE VALLEY BOARD UNANIMOUSLY RECOMMENDS A VOTE “FOR” RATIFICATION OF THE APPOINTMENT OF KPMG AS VALLEY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2017.

REPORT OF THE AUDIT COMMITTEE

February [28], 2017

To the Board of Directors of Valley National Bancorp:

Management is responsible for the preparation, presentation and integrity of the Company’s financial statements, accounting and financial reporting principles, internal controls, and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. The Company’s independent registered public accounting firm, KPMG LLP ("KPMG"), performs an annual independent audit of the financial statements and expresses an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles.

The following is the report of the Audit Committee with respect to the audited financial statements for fiscal year 2016. With respect to fiscal year 2016, the Audit Committee has:

- reviewed and discussed Valley’s audited financial statements with management and KPMG;
- discussed with KPMG the scope of its services, including its audit plan;
- reviewed Valley’s internal control procedures;
- discussed with KPMG the matters required to be discussed by Auditing Standard No. 1301, adopted by the Public Company Accounting Oversight Board;
- received the written disclosures and the letter from KPMG required by applicable requirements of the Public Company Accounting Oversight Board regarding KPMG’s communications with the Audit Committee concerning independence, and discussed with KPMG their independence from management and Valley; and
- approved the audit and non-audit services provided during fiscal year 2016 by KPMG.

Based on the foregoing review and discussions, the Audit Committee approved the audited financial statements to be included in our Annual Report on Form 10-K for fiscal year 2016.

Pursuant to Section 404 of the Sarbanes-Oxley Act, management is required to prepare as part of the Company’s 2016 Annual Report on Form 10-K, a report by management on its assessment of the Company’s internal control over financial reporting, including management’s assessment of the effectiveness of such internal control. KPMG is also required by Section 404 to prepare and include as part of the Company’s 2016 Annual Report on Form 10-K, the auditors’ attestation report on management’s assessment.

During the course of 2016, management regularly discussed the internal control review and assessment process with the Audit Committee, including the framework used to evaluate the effectiveness of such internal control, and at regular intervals updated the Audit Committee on the status of this process and actions taken by management to respond to issues identified during this process. The Audit Committee also discussed this process with KPMG. Management’s assessment report and the auditor’s attestation report are included as part of the 2016 Annual Report on Form 10-K.

Eric P. Edelstein, Chairman
Andrew B. Abramson
Gerald Korde
Michael L. LaRusso
Barnett Rukin
Suresh L. Sani
Jeffrey S. Wilks

CORPORATE GOVERNANCE

Our business and affairs are managed under the direction of the Board of Directors. Members of the Board are kept informed of Valley's business through discussions with the Chairman and our other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. In this regard, to further educate directors about Valley and assist committees in their work, committees are encouraged to invite non-member directors to attend committee meetings to learn about the workings of the Board. All members of the Board also serve as directors of our subsidiary bank, Valley National Bank (the "Bank"). It is our policy that all directors attend the annual meeting absent a compelling reason, such as family or medical emergencies. In 2016, all directors then serving attended our annual meeting.

Our Board of Directors believes that the purpose of corporate governance is to ensure that we maximize shareholder value in a manner consistent with legal requirements and safe and sound banking principles. The Board has adopted corporate governance practices which the Board and senior management believe promote this purpose. Periodically, these governance practices, as well as the rules and listing standards of the NYSE and the regulations of the SEC, are reviewed by senior management, legal counsel and the Board.

BOARD LEADERSHIP STRUCTURE AND THE BOARD'S ROLE IN RISK OVERSIGHT

Chairman and CEO Roles. Valley is led by Mr. Gerald Lipkin, who has served as our Chairman and CEO since 1989. Our Board is currently comprised of Mr. Lipkin and 12 other directors, of whom ten are independent under NYSE guidelines. The Board has three standing independent committees with separate chairpersons – an Audit Committee, a Nominating and Corporate Governance Committee, and a Compensation and Human Resources Committee. We also have a Risk Committee which is responsible for overseeing risk management. In addition, our Audit Committee engages in oversight of financial statement risk exposures and our full Board regularly engages in discussions of risk management and receives reports on risk from our executive management, other company officers and the chairman of the Risk Committee. Each of our other Board committees also considers the risk within its area of responsibilities.

Lead Director. The Board created the position of Lead Director and each year since 2014 has appointed Mr. Abramson as its Lead Director. In accordance with our corporate governance guidelines, our non-management directors meet in executive session regularly and our independent directors meet in executive session at least twice a year. These meetings are chaired by Mr. Abramson in his role as Lead Director.

Our corporate leadership structure is commonly utilized by other public companies in the United States. We believe that having a combined Chairman/CEO, a lead director and independent chairpersons for each of the above Board committees provides the right form of leadership for Valley at this time. We have a single leader for our Company who can present a consistent vision, and he is seen by our customers, business partners, investors and other stakeholders as providing strong leadership for Valley and to our industry. We believe that our Chairman/CEO together with the Lead Director, the Risk Committee, our Audit Committee (primarily with respect to financial risks) and the full Board of Directors, provide effective oversight of the risk management function.

DIRECTOR INDEPENDENCE

The Board has determined that a majority of the directors and all current members of the Nominating and Corporate Governance, Compensation and Human Resources, and Audit Committees are "independent" for purposes of the independence standards of the NYSE, and that all of the members of the Audit Committee are also "independent" for purposes of Section 10A(m)(3) of Exchange Act. The Board based these determinations primarily on a review of the responses of the directors to questions regarding employment and transaction history, affiliations and family and other relationships and on discussions with the directors. Our independent directors are: Andrew B. Abramson, Peter J. Baum, Pamela R. Bronander, Eric P. Edelstein, Gerald Korde, Michael L. LaRusso, Marc J. Lenner, Barnett Rukin, Suresh L. Sani and Jeffrey S. Wilks.

To assist in making determinations of independence, the Board has concluded that the following relationships are immaterial and that a director whose only relationships with the Company fall within these categories is independent:

- A loan made by the Bank to a director, his or her immediate family or an entity affiliated with a director or his or her immediate family, or a loan personally guaranteed by such persons if such loan (i) complies with federal regulations on insider loans, where applicable; and (ii) is not classified by the Bank's credit risk department or independent loan review department, or by any bank regulatory agency which supervises the Bank;

- A deposit, trust, insurance brokerage, investment advisory, securities brokerage or similar customer relationship between Valley or its subsidiaries and a director, his or her immediate family or an affiliate of his or her immediate family if such relationship is on customary and usual market terms and conditions;
- The employment by Valley or its subsidiaries of any immediate family member of the director if the

family member serves below the level of a senior vice president;

- Annual contributions by Valley or its subsidiaries to any charity or non-profit corporation with which a director is affiliated if the contributions do not exceed an aggregate of $30,000 in any calendar year;
- Purchases of goods or services by Valley or any of its subsidiaries from a business in which a director or his or her spouse or minor children is a partner,

shareholder or officer, if the director, his or her spouse and minor children own five percent (5%) or

less of the equity interests of that business and do
not serve as an executive officer of the business; or

- Purchases of goods or services by Valley, or any of its subsidiaries, from a director or a business in which the director or his or her spouse or minor children is a partner, shareholder or officer if the annual aggregate purchases of goods or services from the director, his or her spouse or minor children or such business in the last calendar year does not exceed the greater of $120,000 or five percent (5%) of the gross revenues of the business.

The Board considered the following categories of items for each director it determined was independent together with the information set forth under "Certain Transactions With Management":

Name	Loans*	Trust Services/ Assets Under Management	Banking Relationship with VNB	Professional Services to Valley
Andrew B. Abramson	Commercial and Residential Mortgages, Personal and Commercial Line of Credit	Trust Services	Checking, Savings, Certificate of Deposit	None
Peter J. Baum	Commercial and Personal Mortgage	None	Checking	None
Pamela R. Bronander	Commercial and Personal Line of Credit, Home Equity	None	Checking, Savings, Certificate of Deposit	None
Eric P. Edelstein	Residential Mortgage	None	Checking	None
Gerald Korde	Commercial, Commercial Mortgage and Personal Line of Credit	None	Checking, Money Market	None
Michael L. LaRusso	Personal Line of Credit	None	Checking, Money Market	None
Marc J. Lenner	Commercial Mortgage, Residential Mortgage, Personal Line of Credit and Home Equity	Trust Services	Checking, Money Market, Certificate of Deposit, IRA	None
Barnett Rukin**	Commercial and Residential Mortgages, Commercial Line of Credit	Assets Under Management	Checking, Safe Deposit Box	None
Suresh L. Sani	Commercial Mortgage	None	Checking, Money Market	None
Jeffrey S. Wilks	Personal Line of Credit	None	Checking	None

* In compliance with Regulation O.
** Mr. Rukin is currently a Valley director who will retire as a director after the upcoming annual meeting.

EXECUTIVE SESSIONS OF NON-MANAGEMENT DIRECTORS

Valley’s Corporate Governance Guidelines require the Board to hold separate executive sessions for both independent and non-management directors. At least twice a year, the Board holds an executive session including only independent directors and an executive session including only non-management directors in each instance with the Lead Director as the presiding director for the session.

SHAREHOLDER AND INTERESTED PARTIES COMMUNICATIONS WITH DIRECTORS

The Board of Directors has established the following procedures for shareholder or interested party communications with the Board of Directors or with the Lead Director of the Board:

- Shareholders or interested parties wishing to communicate with the Board of Directors, the non-management or independent directors, or with the Lead Director should send any communication to Valley National Bancorp, c/o Alan D. Eskow, Corporate Secretary, at 1455 Valley Road, Wayne, NJ 07470. Any such communication should state the number of shares owned by the shareholder.

- The Corporate Secretary will forward such communication to the Board of Directors or, as appropriate, to the particular committee chairman or to the Lead Director, unless the communication is a personal or similar grievance, a shareholder proposal or related communication, an abusive or inappropriate communication, or a communication not related to the duties or responsibilities of the Board of Directors in which case the Corporate Secretary has the authority to determine the appropriate disposition of the communication. All such communications will be kept confidential to the extent possible.
- The Corporate Secretary will maintain a log and copies of all such communications for inspection and review by any Board member or by the Lead Director, and will regularly review all such communications with the Board or the appropriate committee chairman or with the Lead Director at the next meeting.

COMMITTEES OF THE BOARD OF DIRECTORS; BOARD OF DIRECTORS MEETINGS

In 2016, the Board of Directors maintained an Audit Committee, a Nominating and Corporate Governance Committee, and a Compensation and Human Resources Committee. Only independent directors serve on these committees. In addition to these committees, the Company and the Bank also maintain a number of committees to oversee other areas of Valley's operations. These include an Executive Committee, Community Reinvestment Act ("CRA") Committee, Investment Committee, Pension/Savings & Investment Trustees Committee, Risk Committee, Strategic Planning Committee and a Trust Committee, all of which have both independent and non-independent directors, as permitted by the SEC and the NYSE.

Each director attended at least 85% or more of the meetings of the Board of Directors and of each committee on which he or she served for the year ended December 31, 2016. Our Board met eight times during 2016 and the Bank's Board met eight times during 2016.

The following table presents 2016 membership information for each of our Audit, Nominating and Corporate Governance, and Compensation and Human Resources Committees.

Name	Audit	Nominating and Corporate Governance	Compensation and Human Resources
Andrew B. Abramson	X	X	X
Peter J. Baum		X	
Pamela R. Bronander			X
Eric P. Edelstein	(Chair)	X	X
Gerald Korde	X	X	(Chair)
Michael L. LaRusso	X		X
Marc J. Lenner		(Chair)	X
Barnett Rukin	X		
Suresh L. Sani	X	X	X
Jeffrey S. Wilks	X	X	
2016 Number of Meetings*	5	4	5

* Includes telephonic meetings.

AUDIT COMMITTEE. The Audit Committee formally met five times during 2016. In addition, the Committee Chairman and Risk Committee Chairman met with the Chief Audit Executive and Chief Risk Officer of Valley monthly for the purpose of communicating closely with those officers and receiving updates on significant developments. The Board of Directors has determined that each member of the Audit Committee is financially literate and that more than one member of the Audit Committee has the accounting or related financial management expertise required by the NYSE. The Board of Directors has also determined that Mr. Edelstein, Mr. LaRusso, Mr. Rukin and Mr. Wilks meet the SEC criteria of an "Audit Committee Financial Expert." The charter for the Audit Committee can be viewed at our website www.valleynationalbank.com/charters. The charter gives the Audit Committee the authority

and responsibility for the appointment, retention, compensation and oversight of our independent registered public accounting firm, including pre-approval of all audit and non-audit services to be performed by our independent registered public accounting firm. Each member of the Audit Committee is independent under the NYSE listing rules.
Other responsibilities of the Audit Committee pursuant to the charter include:

- Reviewing the scope and results of the audit with Valley's independent registered public accounting firm;
- Reviewing with management and Valley's independent registered public accounting firm Valley's interim and year-end operating results including SEC periodic reports and press releases;
- Considering the appropriateness of the internal accounting and auditing procedures of Valley;

- Considering the independence of Valley’s independent registered public accounting firm;
- Overseeing the internal audit function;
- Reviewing the significant findings and recommended action plans prepared by the internal audit function, together with management’s response and follow-up; and
- Reporting to the full Board on significant matters coming to the attention of the Audit Committee.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE. The Nominating and Corporate Governance Committee met four times during 2016. This Committee reviews qualifications of and recommends to the Board candidates for election as director of Valley, considers the composition of the Board, and recommends committee assignments. The Nominating and Corporate Governance Committee develops corporate governance guidelines which include:

- Director qualifications and standards;
- Director responsibilities;
- Director orientation and continuing education;
- Limitations on Board members serving on other boards of directors;
- Director access to management and records; and
- Criteria for the annual self-assessment of the Board, and its effectiveness.

The Nominating and Corporate Governance Committee is also charged with overseeing adherence to our corporate governance standards and the Code of Conduct and Ethics. The Nominating and Corporate Governance Committee reviews recommendations from shareholders regarding corporate governance and director candidates. The procedure for submitting recommendations of director candidates is set forth below under the caption “Nomination of Directors.” Each member of the Nominating and Corporate Governance Committee is independent under NYSE listing rules. The charter for the Nominating and Corporate Governance Committee can be viewed at our website www.valleynationalbank.com/charters.

COMPENSATION AND HUMAN RESOURCES COMMITTEE. The Compensation and Human Resources Committee formally met five times during 2016. This Committee determines CEO compensation, recommends to the Board compensation levels for directors and sets compensation for named executive officers ("NEOs") and other executive officers. It also administers our Executive Incentive Plan and the 2016 Long-Term Stock Incentive Plan, and makes awards pursuant to those plans. The charter for

the Committee can be viewed on our website at www.valleynationalbank.com/charters. Each member of the Compensation and Human Resources Committee is independent under NYSE listing rules.

EXECUTIVE OFFICER COMPENSATION

COMMITTEE PROCESSES AND PROCEDURES

The Board has delegated the responsibility for executive compensation matters to the Compensation and Human Resources Committee. The minutes of the Committee meetings are provided at Board meetings and the chairman of the Committee reports to the Board significant issues dealt with by the Committee.

In undertaking its responsibilities, annually, the Committee receives from the CEO recommendations (except those that relate to his compensation) for salary, non-equity incentive awards, restricted stock and restricted stock unit awards for NEOs and other executive officers. After considering the possible payments and discussing the recommendations with the CEO, the Committee meets in executive session to make the final decisions on these elements of compensation.

Under authority delegated by the Committee, all other employee salaries and non-equity compensation are determined by executive management. For stock awards, based on operational considerations, prior awards and staff numbers, a block of shares is allocated by the Committee. The individual restricted stock and restricted stock unit awards are then allocated by the CEO and his executive staff to these non-executive officers and employees.

Under authority delegated by the Committee, during the year, the CEO is authorized to make stock awards in specific circumstances: special incentive awards for non-officers, retention awards, awards to new employees and grants on completion of advanced degrees.

All awards not specifically approved in advance by the Committee, but awarded under the authority delegated, are reported to the Committee at its next meeting at which time the Committee ratifies the action taken.

COMPENSATION CONSULTANTS

In 2016 the Committee in its sole discretion engaged Fredrick W. Cook & Co. ("FW Cook") as its compensation consultant. FW Cook was engaged to review compensation and performance data of a peer group of comparable financial organizations that had been selected by the Committee upon the recommendation of FW Cook and in relation to this data, provide an overview and comments on Valley's executive compensation. Also, FW Cook was requested to provide information relating to market trends in executive compensation matters. FW Cook has reviewed and provided comments on the compensation disclosures contained in this proxy statement.

COMPENSATION AS IT RELATES TO RISK MANAGEMENT

The Chief Risk Officer evaluated all incentive-based compensation for all employees of the Company and reported to the Compensation and Human Resources Committee that none of our incentive-based awards individually, or taken together, was reasonably likely to have a material adverse effect on Valley. None of the other forms of compensation or incentives for Valley employees were considered as encouraging undue or unwarranted risk. The Compensation and Human Resources Committee accepted the Chief Risk Officer's report.

AVAILABILITY OF COMMITTEE CHARTERS

The Audit Committee, Nominating and Corporate Governance Committee, and Compensation and Human Resources Committee each operate pursuant to a separate written charter adopted by the Board. Each committee reviews its charter at least annually. All of the committee charters can be viewed at our website www.valleynationalbank.com/charters. Each charter is also available in print to any shareholder who requests it. The information contained on the website is not incorporated by reference or otherwise considered a part of this document.

NOMINATION OF DIRECTORS

Nominations of directors for election to the Board may only be made at an annual meeting of shareholders, or at any special meeting of shareholders called for the purpose of electing directors by our Board of Directors, or, as described in more detail below, by any shareholder of the Company who meets the eligibility and notice requirements set forth in our By-laws, as amended in December 2016.

Shareholder Nominations Not for Inclusion in our Proxy Statement. Under our By-laws, to be eligible to submit a director nomination not for inclusion in our proxy materials but instead to be presented directly at the annual meeting, the shareholder must be a shareholder of record on both (i) the date the shareholder submits the notice of the director nomination to the Company and (ii) the record date for the annual meeting. The notice must be in proper written form and be timely received by the Company. To be in proper written form, the notice must meet all of the requirements specified in Article I, Section 3 of our By-laws, including specified information regarding the shareholder making the nomination and the proposed nominee. To be timely for our 2018 annual meeting, the notice must be received by our Secretary at our Wayne, New Jersey office not later than December 28, 2017 nor earlier than November 28, 2017. If the annual meeting is called for a date that is not within 30 days before or after the anniversary date of our 2017 annual meeting date, notice will be timely if it is received by the Secretary no later than the close of business on the 10th day

following the date on which public announcement of the annual meeting is first made by the Company.

Shareholder Nominations for Inclusion in our Proxy Statement. Our By-laws provide that if certain requirements are met, an eligible shareholder or group of eligible shareholders may include their director nominees in the Company's annual meeting proxy materials. This is commonly referred to as proxy access.

The proxy access provisions of our By-Laws provide, among other things, that a shareholder or group of up to twenty shareholders seeking to include director nominees in our proxy materials must own 3% or more of our outstanding common stock continuously for at least three years. The number of proxy access nominees appearing in any annual meeting proxy statement cannot exceed the greater of two or 20% of the number of directors then serving on the Board. If 20% is not a whole number, the maximum number of proxy access nominees would be the closest whole number below 20%. A nominee who is included in our proxy materials but withdraws from or becomes ineligible or unavailable for election at the annual meeting, or does not receive at least 25% of the votes cast for his or her election, will not be eligible for nomination by a shareholder for the next two annual meetings. The nominating shareholder or group of shareholders also must deliver the information required by our By-laws, and each nominee must meet the qualifications required by our By-laws.

Requests to include director nominees in our proxy materials for our 2018 annual meeting must be received by our Secretary at our Wayne, New Jersey office no earlier than October 18, 2017 and no later than November 17, 2017. If

the annual meeting is called for a date that is not within 30 days before or after the anniversary date of our 2017 annual meeting date, notice will be timely if it is received by the Secretary no later than the close of business on the 10th day following the date on which public announcement of the annual meeting is first made by the Company.
Director Qualifications. The Board of Directors has established criteria for members of the Board. These include:

- The maximum age for an individual to join the Board shall be age 60, except that such limitation is inapplicable to a person who, when elected or appointed, is a member of senior management, or who was serving as a member of the Board of Directors of another company at the time of its acquisition by Valley;

- A director is eligible for reelection if the director has not attained age 76 before the time of the annual meeting of the Company's shareholders. However, the Board in its discretion may extend this age limit for not more than one year at a time for any director, if the Board determines that the director’s service for an additional year will sufficiently benefit the Company;

- Each Board member must demonstrate that he or she is able to contribute effectively regardless of age;
- Each Board member must be a U.S. citizen and comply with all qualifications set forth in 12 USC §72;
- Board members must maintain their principal residences in New Jersey, New York, Florida or 100 miles from the Bank's principal office;
- Board members may not stand for re-election to the Board for more than four terms following the establishment of a principal legal residence outside of New Jersey, New York, Florida or 100 miles from the Bank's principal office;
- Each Board member must own a minimum of 20,000 shares of our common stock of which 5,000 shares must be in his or her own name (or jointly with the director’s spouse) and none of these 20,000 shares may be pledged or hypothecated;
- Unless there are mitigating circumstances (such as medical or family emergencies), any Board member who attends less than 85% of the Board and assigned committee meetings for two consecutive years, will not be nominated for re-election;
- Each Board member must prepare for meetings by reading information provided prior to the meeting. Each Board member should participate in meetings, for example, by asking questions and by inquiring about policies, procedures or practices of Valley;
- Each Board member should be available for continuing education opportunities throughout the year;
- Each Board member is expected to be above reproach in their personal and professional lives and their financial dealings with Valley, the Bank and the community;
- If a Board member (a) has his or her integrity challenged by a governmental agency (indictment or conviction), (b) files for personal or business bankruptcy, (c) materially violates Valley’s Code of Conduct and Ethics, or (d) has a loan made to or guaranteed by the director classified as doubtful, the Board member shall resign upon the request of the Board. If a loan made to a director or guaranteed by a director is classified as substandard and not

repaid within six months, the Board may ask the director to resign;

- No Board member may serve on the board of any other bank or financial institution or on more than two boards of other public companies while a member of Valley’s Board without the approval of Valley’s Board of Directors;
- Board members should understand basic financial principles and represent a variety of areas of expertise and diversity in personal and professional backgrounds and experiences;
- Each Board member should be an advocate for the Bank within the community; and
- It is expected that the Bank will be utilized by the Board member for his or her personal and business affiliations.

The Nominating and Corporate Governance Committee has adopted a policy regarding director candidates recommended by shareholders. The Nominating and Corporate Governance Committee will consider nominations recommended by shareholders. In order for a shareholder to recommend a nomination, the shareholder must provide the recommendation along with the additional information and supporting materials to our Corporate Secretary no later than 180 days and no earlier than 150 days prior to the anniversary of the date of the preceding year’s mailing of the proxy statement for the annual meeting. The shareholder wishing to propose a candidate for consideration by the Nominating and Corporate Governance Committee must own at least 1% of Valley’s outstanding common stock. In addition, the Nominating and Corporate Governance Committee has the right to require any additional background or other information from any director candidate or the recommending shareholder as it may deem appropriate. For Valley’s annual meeting in 2018, we must receive this notice on or after October 17, 2017, and on or before November 17, 2017.

The following factors, at a minimum, are considered by the Nominating and Corporate Governance Committee as part of its review of all director candidates and in recommending potential director candidates to the Board:

- Appropriate mix of educational background, professional background and business experience to make a significant contribution to the overall composition of the Board;
- If the Nominating and Corporate Governance Committee deems it applicable, whether the candidate would be considered a financial expert or financially literate as described in SEC and NYSE rules;

- If the Nominating and Corporate Governance Committee deems it applicable, whether the candidate would be considered independent under NYSE rules and the Board's additional independence guidelines set forth in the Company's Corporate Governance Guidelines;
- Demonstrated character and reputation, both personal and professional, consistent with that required for a bank director;
- Willingness to apply sound and independent business judgment;
- Ability to work productively with the other members of the Board;
- Availability for the substantial duties and responsibilities of a Valley director; and
- Meets the additional criteria set forth in Valley's Corporate Governance Guidelines.

Diversity is one of the factors that the Nominating and Corporate Governance Committee considers in identifying nominees for a director. In selecting director nominees the Nominating and Corporate Governance Committee considers, among other factors, (1) the competencies and skills that the candidate possesses and the candidate's areas of qualification and expertise that would enhance the composition of the Board, and (2) how the candidate would contribute to the Board's overall balance of expertise, perspectives, backgrounds and experiences in substantive matters pertaining to the Company's business. The Nominating and Corporate Governance Committee has not adopted a formal diversity policy with regard to the selection of director nominees.

CODE OF CONDUCT AND ETHICS AND CORPORATE GOVERNANCE GUIDELINES

We have adopted a Code of Conduct and Ethics which applies to our chief executive officer, principal financial officer, principal accounting officer and to all of our other directors, officers and employees. The Code of Conduct and Ethics is available and can be viewed on our website at www.valleynationalbank.com/charters. The Code of Conduct and Ethics is also available in print to any shareholder who requests it. We will disclose any substantive amendments to or waiver from provisions of the Code of Conduct and Ethics made with respect to the chief executive officer, principal financial officer or principal accounting officer or any other executive officer or a director on that website.

We have also adopted Corporate Governance Guidelines, which are intended to provide guidelines for the governance by the Board and its committees. The Corporate Governance Guidelines are available on our website at www.valleynationalbank.com/charters. The Corporate Governance Guidelines are also available in print to any shareholder who requests them.

DIRECTOR COMPENSATION

COMPENSATION OF DIRECTORS

The total 2016 compensation of our non-employee directors is shown in the following table. Each of these compensation components is described in detail below.

Also described below, the Compensation Committee adopted the following changes to our non-employee director compensation program effective after the annual meeting on April 27, 2017:

- A $25,000 reduction in the annual cash retainer from $50,000 to $25,000;
- Non-employee directors will receive an annual $50,000 restricted stock unit award; and
- Non-employee directors may attend meetings by phone on a paid basis only once per year.

2016 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (3)	Stock Awards (4)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (5)	All Other Compensation (6)		Total
Andrew B. Abramson (1)	$ 187,000	$ 0	$ 15,020	$ 7,003		$ 209,023
Peter J. Baum	132,000	0	1,434	0		133,434
Pamela R. Bronander	135,000	0	14,344	0		149,344
Eric P. Edelstein (1)	154,500	0	7,902	0		162,402
Mary J. Steele Guilfoile	145,000	0	7,401	93,236	(7)	245,637
Graham O. Jones	147,500	0	14,018	0		161,518
Gerald Korde (1)	157,000	0	20,717	0		177,717
Michael L. LaRusso	136,500	0	7,375	3,599		147,474
Marc J. Lenner (1)	140,000	0	3,635	0		143,635
Barnett Rukin (2)	124,000	0	3,388	7,199		134,587
Suresh L. Sani	138,250	0	3,711	0		141,961
Jeffrey S. Wilks	132,000	0	1,362	3,599		136,961

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(1) Lead Director or Bancorp Committee Chairman (see Committees of the Board on page [13] in this Proxy Statement).

(2) Mr. Rukin is currently a Valley director who will retire as a director after the upcoming annual meeting.

(3)

Includes annual retainer, meeting fees and committee fees and fees for serving as lead director and chairing board committees earned and paid for 2016. The Board of Directors has terminated the Directors Restricted Stock Plan and any outstanding shares will be distributed when they vest. The aggregate number of restricted shares of common stock outstanding at December 31, 2016, for each of the following participants were: Mr. Abramson 15,783 shares; Mrs. Guilfoile 7,281 shares; Mr. LaRusso 8,111 shares; Mr. Rukin 16,224 shares; and Mr. Wilks 8,111 shares.

(4)

(5) Represents the change in the present value of pension

benefits year to year under the Directors Retirement Plan for 2016 taking into account the age of each director, a present value factor, an interest discount factor and time remaining until retirement. As disclosed below, the Board of Directors pension plan was frozen for purposes of benefit accrual in 2013. The annual change in the present value of the accumulated benefits was a net increase of $100,307 in total from the present value reported as of December 31, 2015. This increase is attributable to the passage of time and the decrease in the discount rate from 4.325% to 4.110%.

(6) Except as noted in the next footnote for Ms.

Guilfoile, this column reflects only the cash dividend and interest on deferred dividends earned on outstanding restricted stock during 2016, under the 2004 Directors Restricted Stock Plan.

(7) This includes $90,000 in consulting fees pursuant to a long-standing investment banking retainer consulting agreement, paid to MG Advisors, Inc. in 2016. Ms. Guilfoile is the Chairperson of MG Advisors. The amount also includes $3,236 in cash dividends and interest on deferred dividends earned on outstanding restricted stock during 2016, under the 2004 Directors Restricted

Stock Plan.

ANNUAL BOARD RETAINER

Non-employee directors received an annual retainer of $50,000 per year, paid quarterly. Following our 2017 annual meeting, our non-employee directors will receive an annual retainer of $25,000 per year, paid quarterly, plus an equity award of $50,000 (see below).

This retainer is paid to recognize expected ongoing dialogue of Board members with our executives and employees, for being available to provide their professional expertise as needed, for attending various Bank functions, for undertaking continuing education, and for interfacing with customers as appropriate.

BOARD MEETING FEES

In recognition of the preparation time, travel time, attendance and providing professional expertise at the Board meetings, non-employee directors receive a Board meeting fee of $2,500 for each meeting attended of the Bank and Bancorp combined attended in person, by video conference or conference call. Following our 2017 annual meeting, our non-employee directors will be paid meeting fees for attendance by telephone of in person board and committee meetings for no more than one meeting per year.

BOARD COMMITTEE FEES AND COMMITTEE CHAIRMEN RETAINER

The Chairman of the Audit Committee receives an annual retainer of $15,000. The Chairman of the Compensation and Human Resources Committee receives an annual retainer of $15,000. The Chairman of the Nominating and Corporate Governance Committee receives an annual retainer of $7,500. The Lead Director receives an annual retainer of $30,000. These retainers are to recognize the extensive time that is devoted to serve as Committee Chairman or Lead Director and to attend to committee matters including meetings with management, auditors, attorneys and consultants and preparing committee agendas.

All members of these committees are paid for attending each committee meeting as follows: $2,500 for Audit, $2,500 for Compensation and Human Resources, and $2,500 for Nominating and Corporate Governance.

The Company and the Bank also have a number of committees (in addition to the corporate governance committees listed on page [13]). These committees generally deal with oversight of various operating matters. Valley's Risk Committee Chairman receives a $15,000 retainer. All other committee chairmen receive a retainer of $7,500. There is an attendance fee of $2,500 for each committee meeting.

Following our annual meeting, the fees described above will be increased to those set forth below:

Lead Director Annual Retainer	$50,000
Committee Chair Retainers	
Audit Chair	$20,000
Compensation & HR Chair	$20,000
Nominating & Governance Chair	$12,500
Investment Chair	$12,500
Risk Chair	$20,000
Trust Chair	$12,500
CRA Chair	$12,500

DIRECTOR EQUITY AWARDS

Our 2016 Long-Term Stock Incentive Plan (the "2016 Plan") provides for our non-employee directors to be eligible recipients of limited equity awards. The 2016 Plan was approved by our shareholders.

Commencing with our 2017 annual meeting, each non-employee director will receive a $50,000 restricted stock unit award ("RSU") as part of their annual retainer. The RSUs will be granted on the date of the annual shareholders' meeting, with the number of RSUs to be determined using the closing market price on the date prior to grant. The RSUs vest on the earlier of the next annual shareholders' meeting or the first anniversary of the grant date, with acceleration upon a change in control, death or disability, but not resignation from the board.

DIRECTORS RETIREMENT PLAN

We maintain a retirement plan for non-employee directors which was frozen to new participants and for additional benefit accruals in 2013. The plan provides 10 years of annual benefits to participating directors with five or more years of service. The benefits commence after a director has retired from the Board and reached age 65. The annual benefit is equal to the director's years of service, multiplied by 5%, multiplied by the final annual retainer paid to the director at the time of retirement. In the event of the death of the director prior to receipt of all benefits, the payments continue to the director's beneficiary or estate. As a result of amendments to the plan adopted in 2013, participants no longer accrue further benefits.

STOCK OWNERSHIP OF MANAGEMENT
AND PRINCIPAL SHAREHOLDERS

STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS. The following table contains information about the beneficial ownership of our common stock at December 31, 2016 by each director and by each of our named executive officers ("NEOs") named in this proxy statement, and by directors and all executive officers as a group.

Name of Beneficial Owner	Number of Shares Beneficially Owned [1]		Percent of Class [2]	
Directors and Named Executive Officers:				
Andrew B. Abramson	240,823	(3)	0.09	%
Peter J. Baum	40,267	(4)	0.02	
Pamela R. Bronander	34,275	(5)	0.01	
Peter Crocitto	568,481	(6)	0.21	
Eric P. Edelstein	28,388		0.01	
Alan D. Eskow	494,228	(7)	0.18	
Mary J. Steele Guilfoile	396,237	(8)	0.15	
Graham O. Jones	963,667	(9)	0.36	
Gerald Korde	2,329,147	(10)	0.87	
Michael L. LaRusso	43,585	(11)	0.02	
Marc J. Lenner	209,590	(12)	0.08	
Gerald H. Lipkin	1,250,338	(13)	0.47	
Ira D. Robbins	192,450	(14)	0.07	
Barnett Rukin	125,976	(15)	0.05	
Suresh L. Sani	58,351	(16)	0.02	
Rudy E. Schupp	286,964	(17)	0.11	
Jeffrey S. Wilks	420,508	(18)	0.16	
Directors and Executive Officers as a group (26 persons)	8,208,047	(19)	3.07	

(1) Beneficially owned shares include shares over which the named person exercises either sole or shared voting power or sole or shared investment power. It also includes shares owned (i) by a spouse, minor children or by relatives sharing the same home, (ii) by entities owned or controlled by the named person, and (iii) by the named person if he or she has the right to acquire such shares within 60 days by the exercise of any right or option. Unless otherwise noted, all shares are owned of record and beneficially by the named person. Unvested performance based RSUs do not carry voting rights and are non-transferable.

(2) The number of shares of our common stock used in calculating the percentage of the class owned includes 263,638,830 shares of our common stock outstanding as of December 31, 2016. For purposes of calculating each individual's percentage of the class owned, the number of shares underlying stock options held by that individual are also taken into account to the extent such options were exercisable at December 31, 2016 or became exercisable within 60 days of December 31, 2016.*

(3) This total includes 14,074 shares held by Mr. Abramson's wife, 12,379 shares held by his wife in trust for his children, 9 shares held by a family trust of which Mr. Abramson is a trustee, 40,157 shares held by a family foundation, 10,197 shares held in self-directed IRA, 2,583 shares in a self-directed IRA held by his wife and 15,783 restricted shares pursuant to the director restricted stock plan. Mr. Abramson disclaims beneficial ownership of shares held by his wife and shares held for his children.

(4)

This total includes 6,150 shares held by a trust for the benefit of Mr. Baum's children of which Mr. Baum is the trustee.

(5) This total includes 5,992 shares held by Ms. Bronander's children, and of this total, 972 shares are pledged as security by her adult son.

(6) This total includes 39,702 shares held by Mr. Crocitto's wife, 5,042 shares held in Mr. Crocitto's KSOP, 2,913 shares held by Mr. Crocitto as custodian for his child, 83,797 restricted shares, 153,089 performance based restricted stock units (at maximum) and 42,229 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2016*.

(7) This total includes 51,796 shares held by Mr. Eskow's wife, 5,303 shares held in Mr. Eskow's KSOP, 10,578 shares held in his Roth IRA, 1,471 shares held in his IRA, 6,249 shares held jointly with his wife, 1,435 shares in an IRA held by his wife, 83,797 restricted shares, 153,089 performance based restricted stock units (at maximum) and 42,229 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2016*.

(8) This total includes 141,606 shares held by Ms. Guilfoile's spouse and 7,281 restricted shares pursuant to the director restricted stock plan.

(9) This total includes 7,124 shares owned by trusts for the benefit of Mr. Jones' children of which his wife is co-trustee.

(10) This total includes 72,133 shares held jointly with Mr. Korde's wife, 342,697 shares held in the name of Mr. Korde's wife, 893,352 shares held by his wife as custodian for his children, 315,378 shares held by a trust of which Mr. Korde is a trustee and 126,438 shares held in Mr. Korde's self-directed IRA.

(11) This total includes 14,506 shares held jointly with Mr. LaRusso's wife and 8,111 restricted shares pursuant to the director restricted stock plan.

(12) This total includes 18,694 shares held in a retirement pension, 567 shares held by Mr. Lenner's wife, 29,092 shares held by his children, 122,150 shares held by a trust of which Mr. Lenner is 50% trustee (Mr. Lenner is an indirect beneficiary of only 25% of the trust and disclaims any pecuniary interest in the ownership of the other portion of the trust), and 18,392 shares held by a charitable foundation.

(13) This total includes 324,760 shares held in the name of Mr. Lipkin's wife, 6,946 shares held in Mr. Lipkin's wife's Roth IRA, 154 shares held jointly with his wife, 68,889 shares held in a Roth IRA, 55 shares held in his KSOP, and 38,519 shares held by a family charitable foundation of which Mr. Lipkin is a co-trustee. This total also includes Mr. Lipkin's 173,642 restricted shares, 325,918 performance based restricted stock units (at maximum) and 135,591 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2016*.

(14) This total includes 2,000 shares held by Mr. Robbins' wife, 285 shares held in trusts for benefit of Mr. Robbins' children, 46,766 restricted shares, 109,902 performance based restricted stock units (at maximum) and 5,045 shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2016*.

(15) This total includes 6,000 shares held in Mr. Rukin's IRA, 27,683 shares held by Mr. Rukin's wife, as custodian and Mr. Rukin, as trustee, in various accounts for their children, 12,624 shares held by a private foundation of which Mr. Rukin is an officer and 16,224 restricted shares pursuant to the director restricted stock plan. Mr. Rukin disclaims beneficial ownership of the shares held by his wife, shares held by his wife as custodian for their children, and shares held by a private foundation.

(16) This total includes 5,705 shares held in Mr. Sani's Keogh Plan, 5,705 shares held in trusts for benefit of his children, and 44,390 shares held in pension trusts of which Mr. Sani is co-trustee.

(17) This total includes 12,814 shares held in Mr. Schupp's IRA, 1,780 shares held by Mr. Schupp's wife's IRA, 1,048 shares as custodian for his children, 33,174 restricted shares and 109,902 performance based restricted stock units (at maximum).

(18) This total includes 74,026 shares held by Mr. Wilks' wife, 10,058 shares held by his wife in trust for one of their children, 2,747 shares held jointly with his wife for a family foundation, 20,346 shares as trustee for the benefit of their children, 12,187 shares as trustee for the benefit of his wife, 266,804 shares held by the estates of his mother and father-in-law, of which Mr. Wilks' wife is a beneficiary and is one of three executors. This total also includes Mr. Wilks' 8,111 restricted shares pursuant to the director restricted stock plan. Mr. Wilks disclaims beneficial ownership of shares held by his mother and father-in-law's estates.

(19) This total includes 524,772 shares owned by 9 executive officers who are not directors or named executive officers, which total includes 12,692 shares in KSOP and/or IRA, 149 indirect shares, 125,611 restricted shares, 177,092 performance based restricted stock units (at maximum) and 28,100* shares purchasable pursuant to stock options exercisable within 60 days of December 31, 2016. The total does not include shares held by the Bank's trust department in fiduciary capacity for third parties.

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* All exercisable options outstanding have exercise prices that are higher than Valley's market price at December 31, 2016 of $11.64. See the Outstanding Equity Awards table below for each of the NEO's outstanding awards; and as of the record date of February 27, 2017, all exercisable options outstanding have exercise prices that are higher than Valley's market price of [ ].

PRINCIPAL SHAREHOLDERS. The following table contains information about the beneficial ownership at December 31, 2016 by persons or groups that beneficially own 5% or more of our common stock.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class[1]
BlackRock, Inc.[2] 55 East 52nd Street, New York, NY 10022	30,278,754	11.48%
The Vanguard Group[3] 100 Vanguard Blvd., Malvern, PA 19355	19,801,278	7.51%

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(1) For purposes of calculating these percentages, there were 263,638,830 shares of our common stock outstanding as of December 31, 2016.

(2) Based on a Schedule 13G/A Information Statement filed January 17, 2017 by BlackRock, Inc. The Schedule 13G/A discloses that BlackRock has sole voting power as to 29,778,648 shares, shared voting power as to 0 shares, sole dispositive power as to 30,278,754 shares, and shared dispositive power as to 0 shares.

(3) Based on a Schedule 13G/A Information Statement filed February 10, 2017 by The Vanguard Group. The Schedule 13G/A discloses that The Vanguard Group has sole voting power as to 297,474 shares, shared voting power as to 24,530 shares, sole dispositive power as to 19,491,474 shares, and shared dispositive power as to 309,804 shares.

EXECUTIVE COMPENSATION
COMPENSATION DISCUSSION AND ANALYSIS ("CD&A")

EXECUTIVE SUMMARY

Say-on-Pay Vote

At the 2016 Annual Meeting of Shareholders, approximately 94% of the votes cast were in favor of the advisory vote to approve executive compensation. This result is an increase from the results of the 2015 Annual Meeting at which 91% of the votes were cast in favor of the advisory vote and a substantial increase from the results of the 2014 Annual Meeting at which 71% of the votes were case in favor of the advisory vote. We believe that the 2015 and 2016 results reflect our commitment to providing our executives with compensation that is in alignment with our shareholders' short and long term interests. The results also reflected favorably on our outreach program over the past several years to certain large institutional shareholders and the significant changes that we made to our compensation program as a result of those conversations. In January 2017, the Compensation and Human Resources Committee (the "Committee") made compensation decisions based on 2016 results with a mind toward the input we received from shareholders over the past three years. In addition, the Committee reviewed the reports of major proxy advisory firms on the say on pay vote and again asked the Committee's independent compensation consultant, Frederic W. Cook & Co., Inc. ("FW Cook"), to provide an analysis of the executive compensation program.

Key Compensation Decisions and Actions

As discussed below under "Our Company's Performance," we believe that benefits derived from some of the difficult choices our management made in 2015 were realized in 2016 and will continue to improve financial performance in 2017 and beyond. The Company's net income and diluted earnings per share for 2016 increased 63.2% and 50.0%, respectively, over 2015 results, which included a $51.1 million charge related to the extinguishment of high-cost debt. The following is a brief summary of how we approached our compensation program based on 2016 results and the shareholder feedback listed above:

- The CEO's total direct compensation increased 11.5% over 2015 levels. 40% of such increase was structured to be in the form of long-term performance based equity awards to ensure alignment with our pay for performance philosophy;
- The CEO's cash bonus awarded represented a $150,000 increase from last year in light of Valley's overall financial performance, including the strengthening of our earnings, our strong asset quality performance, and the fact that his base salary did not increase for the sixth straight year;
- The CEO's time based equity compensation increased moderately ($75,000) from last year;
- No increase in the salary of our CEO for the sixth year in a row;
- No increase in the total direct compensation of our COO and CFO in 2016;
- Increased the compensation of Ira D. Robbins and Rudy E. Schupp to reflect their recent promotions;
- Continued to provide the majority of compensation in the form of short and long term incentive compensation, and the majority of long term incentive compensation in the form of performance equity awards;
- Continued to grant performance equity awards that cliff vest at the end of three years based on our growth in tangible book value;
- Continued to limit the maximum payout on the TSR portion of the performance equity awards to target if the relative TSR is negative.

The Company's "TSR" refers to the Company's share price performance (and dividends) ranked relative to the performance of our peer group during the relevant period. In reviewing compensation, the Committee did not take into consideration, and the preceding bullet points exclude the change, in the pension value and "all other compensation" which is included in compensation for each NEO as determined under SEC rules and set forth in the Summary Compensation Table on page [32]. To highlight the difference, the Summary Compensation Table shows all our NEOs' total compensation both with and without the change in pension value.

Our Company's Performance

Valley's net income in 2016 was $168.1 million, or $0.63 per diluted common share, compared to 2015 net income of $103.0 million, or $0.42 per diluted common share, which represented an increase of 63.2% and 50.0%, respectively, over 2015 amounts. In 2015, management made the decision to take a $51.1 million pre-tax charge in order to effect the extinguishment of $845 million of high-cost debt. The Committee believes that these charges were in the best interests of the Company and sets up the Company for continued improvement in financial performance for 2017

and beyond. The dramatic increases in earnings and EPS in 2016 reflect that charge in 2015.
Other highlights of 2016 performance include:

- The commencement of our "LIFT" program which seeks to identify operating expense savings and revenue enhancement opportunities;
- The $110 million common stock offering in December 2016 at a price well in excess of the Company's tangible book value;
- A 12.3% increase in net interest income in 2016 compared to 2015;
- An increase in tangible book value on an as reported basis of 8.21% in 2016 compared to 2015;
- A total shareholder return in 2016 of 23.55% compared to 6.12% in 2015;
- Over $19 million in cost savings derived from the 2015 branch efficiency and cost reduction plan; and
- The $22.0 million gain on the sale of residential mortgage loans in 2016 compared to $4.2 million in 2015.

Key Governance Features

We have implemented the following governance features:

Independent compensation consultant. FW Cook, our compensation consultant, reports directly to the Committee and provides no services to Valley or management.

Risk management. We focus on risk management and design our plans to discourage unnecessary or excessive risk taking.

No hedging or pledging. We do not allow hedging or pledging of Valley securities by executive officers.

Clawback policy. We have a clawback policy that allows for the recovery of unvested cash and equity-based incentive compensation in the event of a material financial restatement or material misconduct by an executive and recovery of both vested and unvested awards in the event of intentional fraud or intentional misconduct by an executive. Our equity awards to executives include other clawback provisions.

Hold-past termination. If an NEO terminates employment for any reason and such termination results in the acceleration of equity awards, 50% of the shares of common stock underlying the equity awards must be held for a period of 18 months following the date of termination.

Stock ownership guidelines. We impose ownership

guidelines on our executives.

OUR COMPENSATION PHILOSOPHY

We believe that Valley's executive compensation should be structured so as to balance the expectations of our shareholders, our regulators and our executives. We have adopted a compensation philosophy that seeks to achieve this balance by taking into consideration the following:

Pay-for-Performance: Rewarding qualitative achievements by management which contribute to our operational and strategic performance;

Benchmarking: Making compensation awards after taking into account the executive compensation programs and practices of our peer group; and

Balanced Pay Mix: Providing a mixture of short-term and long-term financial rewards to our executives.

The Committee uses a balanced approach in making compensation-related decisions. The important factors the Committee considered this year include:

- Our year over year increase in earnings per share, after considering core earnings;
- Our growth in tangible book value plus dividends;
- Maintaining Valley's strong commitment to credit quality;
- Development of a long term strategic plan which supports Valley's franchise growth;
- Maintaining Valley's dividend;
- Meeting or exceeding regulatory requirements, including regulatory capital requirements, in all facets of our business; and
- Training and developing staff for succession planning purposes and for maintaining business continuity.

OUR COMPENSATION PROCESS

Our Committee sets the compensation of our CEO and all our NEOs, as well as all executive officers. We met four times during 2016 and early 2017 to discuss NEO compensation for 2016. At almost all meetings the Committee holds

in-depth executive sessions at which our independent compensation consultant is present and provides advice.
The Committee has the authority to directly retain the services of independent compensation consultants and other experts to assist in fulfilling its responsibilities. The Committee engaged the services of FW Cook, a national executive compensation consulting firm, to review and provide recommendations concerning all of the components of the Company's executive compensation program. FW Cook

performs services solely on behalf of the Committee and has no relationship with the Company or management except as it may relate to performing such services. FW Cook assists the Committee in defining Valley's peer companies for executive compensation and practices and in benchmarking our executive compensation program against the peer group. The Committee assessed the independence of FW Cook and concluded that no conflict of interest existed that prevented FW Cook from independently representing the Committee.

A representative of FW Cook was present and provided advice at all our meetings, including executive sessions. Pre-meetings were held with the Chairman of the Committee to establish the agenda for each meeting. The compensation consultant attended the pre-meetings.

The CEO and other NEOs attended portions of the meetings. The CEO presented and discussed with the Committee his recommendations for compensation for the NEOs and the executive team without the other NEOs present. The CEO did not make a recommendation to the Committee with regard to his own compensation. The CEO was not present when his compensation was discussed or set by the Committee. The Committee sought input from other directors with experience in executive compensation and from internal and external counsel. The Committee sets executive compensation with only Committee members, consultants and internal and external counsel present.

OUR PEER GROUP

In setting compensation for our executives, we compare total compensation, each compensation element, and Valley’s financial performance to a peer group. For purposes of determining 2015 compensation, our peer group consisted of 17 bank holding companies in the NY/NJ/CT metropolitan area plus Florida with assets within a reasonable range above and below Valley’s asset size. In 2016, we modified the peer group to remove three bank holding companies that were either acquired or in the process of being acquired by larger institutions. We replaced these companies with four companies which are located in metropolitan locations throughout the country, with sizes and business models similar to Valley. The Committee believes that this new peer group is an appropriate group for comparison with Valley for two primary reasons:

- The companies in the peer group are all located in our market areas or comparable metropolitan locations; and
- The companies in the peer group are, on average, similar in size and complexity to Valley.

Appendix A, on page [52] lists all financial institutions in the peer group. First Niagara Financial Group, Inc. and National Penn Bancshares, Inc. were removed from the peer group due to their acquisitions by, and merger into other institutions during 2016. Astoria Financial was also removed in 2016

prior to the publicly announced termination of the pending merger with, and into New York Community Bancorp, Inc.. PacWest Bancorp, Private Bancorp, Prosperity Bancshares and Texas Capital Bancshares were added. The peer group consists of companies with assets between $6 billion and $50 billion and market capitalization between $800 million and $8 billion. Valley ranked in the 61st and 33rd percentile in asset size and market capitalization, respectively, against the peer group.

The Committee compares the salaries, equity compensation and non-equity incentive compensation we pay to our NEOs with the same compensation elements paid to executives of the peer group companies available from public data. The Committee refers to this peer group information when setting our CEO compensation and that of our other NEOs and generally targets setting CEO and NEO total compensation at levels that are at the median of our peer group.

ELEMENTS OF PAY

The following table summarizes the key components of our compensation program for our NEOs and the purpose of each component:

Component	Key features	Purpose
Salary	è Certain cash payment based on position, responsibilities and experience.	è Offers a stable source of income.
EIP Cash Awards	è Annual cash awards which are tied to achievement of both company and individual goals.	è Intended to motivate and reward executives for achievements of short-term (one year) company and individual goals.
EIP Time Vested Equity Awards	è Equity incentives earned based on time.	è Intended to create alignment with shareholders and promote retention.
2016 Stock Plan Performance Equity Awards	è Equity incentives earned based upon meeting performance targets.	è Intended to focus on achievement of company performance objectives, relative TSR and growth in tangible book value (as defined below).

Salary

Salaries are determined by an evaluation of individual NEO responsibilities, compensation history, as well as peer comparison.

Executive Incentive Plan (EIP)

The Executive Incentive Plan ("EIP") provides for awards, payable in cash and time vested restricted stock awards, from a pool equal to 5% of our net income before income taxes. Allocations of the percentages under the EIP among the NEOs from the 5% pool (discussed below) are made by the Committee within the first 90 days of each calendar year with respect to the current year. EIP awards are determined after the year-end financial results are finalized. The Committee awards less than the entire amount of the 5% pool as permitted by the EIP. We intend to maximize our tax deductible awards under the EIP.

EIP Cash Awards

We award the cash bonus under the EIP in January or February and pay the initial 50% portion of cash EIP awards at the time of award. The 50% balance is paid in eight equal quarterly installments, to allow time for possible clawback of cash awards if necessary.

EIP Time Vested Equity Awards

We award time vested restricted stock awards under the EIP in January or February. Awards granted in January 2017 are scheduled to vest pro rata on an annual basis over a three year period.

Performance Based Equity Awards

The Company’s 2016 Long-Term Stock Incentive Plan (the “2016 Stock Plan”) includes provisions for performance awards.

We awarded performance based restricted stock unit awards under the Company’s 2016 Stock Plan. The 2016 Stock Plan provides for certain performance based awards, which allows for these awards to be qualified under Internal Revenue Code Section 162(m) for tax deductibility. Consistent with prior years, the performance based awards granted in 2017 (for 2016 performance) vest based on the Company’s adjusted Growth in Tangible Book Value and TSR performance.

OVERALL DESIGN AND MIX OF EQUITY GRANTS

Consistent with 2014 and 2015 awards, the following table summarizes the overall design and mix of our annual long-term
equity incentives granted for 2016:

Form of Award	Percentage of Total Target Equity Award Value for Mr. Lipkin	Percentage of Total Target Equity Award Value for Other NEOs	Purpose	Performance Measured	Earned and Vesting Periods
Time Vested Award (time-vested restricted stock)	25.7%	33.3%	Encourages retention. Fosters shareholder mentality among the executive team.	N/A	Vests on the first, second, and third anniversaries of the grant date.
Growth in Tangible Book Value Performance Award (restricted stock units)	55.7%	50%	Encourages retention and ties executive compensation to our operational performance.	Growth in Tangible Book Value (as defined)	Earned and vests after three-year performance period based on Growth in Tangible Book Value.
TSR Performance Award (restricted stock units)	18.6%	16.7%	Encourages retention and ties executive compensation to our long-term market performance.	Relative TSR	Earned and vests after three-year performance period based on TSR.

The percentage mixes described in the chart above are based on the dollar value of the awards granted. The dollar value is translated into number of shares using the closing price the day before the Committee makes the grant.

2016 TIME VESTED AWARDS

For Mr. Lipkin, 25.7% of the aggregate dollar value of his target annual equity awards granted for 2016 was in the form of time-based vesting restricted stock awards. For the other NEOs, 33.3% of the aggregate dollar value of our NEOs' target annual equity awards granted for 2016 was in the form of time-based vesting restricted stock awards. Once granted, the awards vest based solely on continued service with the Company, with one third vesting on each anniversary of the grant date.

2016 GROWTH IN TANGIBLE BOOK VALUE AWARDS

Growth in Tangible Book Value when used in this CD&A means year over year growth in tangible book value, plus dividends on common stock declared during the year, excluding other comprehensive income ("OCI") recorded during the year. The Committee chose Growth in Tangible Book Value over a three year period because it believes that this metric is a good indicator of the performance of a commercial bank. The adjustment for dividends allows the Committee to compare our performance to our peers which pay different amounts of dividends. The exclusion of OCI avoids changes in tangible book value not viewed as related to financial performance. Consistent with the terms of the award agreements for the restricted stock and the 2016 Stock Plan, the Committee adjusted the calculation of the Growth in Tangible Book Value for the Company's acquisitions of 1st

United Bancorp and CNL Bancorp in 2014 and 2015,
respectively, the prepayment incurred for the prepayment of high cost debt in 2015 and the common stock offering in 2016.

For Mr. Lipkin, 55.7% of the aggregate dollar value of his equity awards granted for 2016 were in the form of performance restricted stock units ("RSUs") to be earned based upon Growth in Tangible Book Value (each, a Growth in Tangible Book Value Performance Award). For the other NEOs, 50.0% of the aggregate dollar value of our NEOs' target equity awards granted for 2016 were in the form of Growth in Tangible Book Value Performance Awards. The Growth in Tangible Book Value Performance Awards are earned based on average annual Growth in Tangible Book Value against target during the years 2017 through 2019. Earned Growth in Tangible Book Value Performance

Awards vest at the end of the 3-year performance period and will be settled as soon as administratively feasible thereafter following Committee certification of performance results. The number of shares that can be earned may range from 0% to 150% of the target, depending on performance (with linear interpolation between performance levels) as follows:

Average Annual Growth in Tangible Book Value 2017-2019	Percentage of Target Shares Earned
Below 9.5%	None
9.5% (Threshold)	50%
11% (Target)	100%
12.5% or higher (Maximum)	150%

Growth in Tangible Book Value Performance Awards are settled in the form of common stock with cash for any dividend equivalents accrued during the performance period to the extent earned.

The table below shows the status of the performance based equity awards subject to vesting based on Growth in Tangible Book Value, reflecting the adjustments described above, granted in 2014 (for 2013 performance), in 2015 (for 2014 performance), and in 2016 (for 2015 performance) based on fiscal 2016 financial performance. Please note that the status reported in the below tables for other than 2014 awards is not necessarily indicative of what will ultimately be paid out to our NEOs as these awards are based on cumulative performance results for the respective full three-year performance periods. The 2014 awards vested in January 2017 at above Target performance due to the three year Growth in Tangible Book Value of 11.54%.

Growth in Tangible Book Value

Grant Date	Performance in 2014	Performance in 2015	Performance in 2016	Cumulative Perfor-mance Measured to Date
1/31/2014*	10.82%	11.28%	12.51%	11.54%
1/30/2015	N/A	11.28%	12.51%	11.90%
1/28/2016	N/A	N/A	12.51%	12.51%

(*) The terms of the awards granted in 2014 provided for an annual payout of a certain portion of the award based on achievement of Growth in Tangible Book Value performance goals measured annually. This feature allowing for potential annual payout was eliminated from performance based awards commencing with those granted in 2015.

2016 RELATIVE TSR PERFORMANCE AWARDS

For Mr. Lipkin, 18.6% of the aggregate dollar value of his target annual equity awards granted for 2016 was in the form of RSUs to be earned based on the Company's relative TSR for the 3-year performance period from January 2017 through December 2019 against the KRX (a TSR Performance Award). For the other NEOs, 16.7% of the aggregate dollar value of our NEOs' target annual equity awards granted for 2016 was in the form of a TSR Performance Award. The KRX is used instead of our compensation peer group to provide a broader indication of Valley's relative market performance and because similar size and geography are less relevant criteria for TSR performance comparisons than compensation comparisons. Earned TSR Performance Awards vest at the end of the 3-year performance period and will be settled as soon as administratively feasible thereafter following Committee certification of performance results. The number of shares that may be earned may range from 0% to 150% of the target, depending on performance (with linear interpolation between performance levels) as follows:

TSR	Percentage of Target Shares Earned
Below 25th percentile of peer group	None
25th percentile of peer group (Threshold)	50%
50th percentile of peer group (Target)	100%
75th percentile of peer group (Maximum)	150%

In the event that the Company has a negative TSR on an absolute basis at the end of the three-year performance period, then the maximum number of shares that could be earned, regardless of the Company's TSR relative to its peer group, would be 100% of target. TSR Performance Awards will settle in the form of common stock with cash with any dividend equivalents accrued during the performance period, to the extent earned.

The Company's cumulative TSR was 20.29% for the three year period ended December 31, 2016. The percentile rank against Valley's peer group was 12.2% for that time period. Accordingly, none of the NEOs' 2014 TSR Performance Awards vested in 2017.

PAY DETERMINATIONS

Summary

The Committee increased Mr. Lipkin's total direct compensation (i.e., salary, target equity awards and target EIP cash awards) by $373,500, or approximately 11.5%, from last year. Of the increase in the CEO's total compensation from 2015, $148,500, or 40%, was the result of an increase in his performance based equi