VALLEY NATIONAL BANCORP
Form DEF 14A
March 09, 2018
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:

¨ Preliminary Proxy Statement	¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý 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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(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

1 2018 Proxy Statement

1455 VALLEY ROAD
WAYNE, NEW JERSEY 07470
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD, FRIDAY, APRIL 20, 2018

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 Friday, April 20, 2018 at 9:00 a.m., local time to vote on the following matters:

1. Election of 14 directors;
2. Ratification of the appointment of KPMG LLP as Valley's independent registered public accounting firm for the fiscal year ending December 31, 2018;
3. An advisory vote on executive compensation; and
4. A shareholder proposal if properly presented at the Annual Meeting.

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 9, 2018. 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 Tuesday, February 20, 2018 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

Wayne, New Jersey
March 9, 2018

Important notice regarding the availability of proxy materials for the 2018 Annual Meeting of Shareholders: This Proxy Statement for the 2018 Annual Meeting of Shareholders, our 2017 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 2018 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 Friday, April 20, 2018 at 9:00 a.m., local time. This proxy statement is first being made available to shareholders on or about March 9, 2018.

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 2018 notice of annual meeting of shareholders, this proxy statement, the Company's 2017 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 Tuesday, February 20, 2018. 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 330,804,046 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 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 tzarkadas@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 14 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; and
- Item 4 – AGAINST the shareholder proposal.

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, the advisory vote on executive compensation, or the shareholder proposal.

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). 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 2018), directors would be elected by a plurality of votes cast at the Annual 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 shareholder proposal 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.

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 materials, 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 $8,500 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 14.

The persons named as proxies intend to vote the proxies FOR the election of the 14 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 2019 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.

Gerald H. Lipkin, 77
Chairman of the Board
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, 2018. 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 52 years of experience in lending and commercial banking in conjunction with his leadership ability make him a valuable member of our Board of Directors.

Ira Robbins, 43

President and Chief Executive Officer of Valley National Bancorp and Valley National Bank.
Director since: 2018

Mr. Robbins joined Valley in 1996 as part of the Bank's Management Associate Program and has held several key positions throughout the Bank for over 20 years. In 2009, he was awarded the title of First Senior Vice President and Treasurer and he was promoted to Executive Vice President in 2013. In 2016, Mr. Robbins was recognized for his invaluable contributions to the Bank’s growth with a promotion to Senior Executive Vice President. In 2017, he was appointed as President of Valley National Bank and assumed the role of CEO in 2018. Mr. Robbins serves as a board member for the Jewish Vocational Service of MetroWest NJ (JVS) and is also a member of the Morris Habitat for Humanity Leadership Council. He is an active supporter of several other philanthropic organizations throughout the community as well. Mr. Robbins received a Bachelor of Science Degree in Finance and Economics from Susquehanna University and received his Masters of Business Administration Degree in Finance from Pace University. He is also a graduate of the Stonier Graduate School of Banking. Mr. Robbins' education, his over 20 years of experience in banking in conjunction with his leadership ability make him a valuable member of our Board of Directors.

Andrew B. Abramson, 64

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 38 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, 62

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 55 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 36 years of business experience including as a business owner for 20 years. Mr. Baum also brings financial experience and expertise to Valley’s Board of Directors.

Pamela R. Bronander, 61

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, 68

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 31 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, 64
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, 73

Partner and Attorney, 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.

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Gerald Korde, 74

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, 72

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, 52

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, 53

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 26 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.

Jennifer W. Steans, 54

President and CEO, Financial Investments Corporation, ("FIC"), a private asset management firm.
Director since: 2018
Other directorships: MB Financial, Inc. USAmeriBancorp, Inc.

Ms. Steans is the President and CEO of Financial Investments Corporation (“FIC”), a private asset management firm, where she oversees private equity investments and the Steans Family Office operations. Ms. Steans served as the Chairman of USAmeriBancorp, Inc., from its organization in 2006 until it was acquired by Valley on January 1, 2018. Ms. Steans also served as a director of MB Financial, Inc. (MBFI) a publicly traded regional bank holding company located in Chicago, from August 2014 until January 1, 2018 when she resigned to become a director of Valley. From 2008 until it was acquired by MB Financial in August 2014, Ms. Steans served as a director of Cole Taylor Bank and Taylor Capital. She is a director of a variety of privately held entities including Provest Holdings, LLC, Centerline Solutions, and Catastrophe Solutions International. In addition, she serves on the Advisory Board for Carlyle Asia Growth Partners III, LP, Laramar Multi-Family Value Fund, Resource Land Fund, and Siena Capital Partners. Ms. Steans also serves on a number of nonprofit entities, including the Chicago Foundation for Women, Kellogg Advisory Board, and RUSH University Medical Center. Ms. Steans received a BS from Davidson College and an MBA from The Kellogg School of Management at Northwestern University. Ms. Steans brings to the Board a strong financial background, experience and knowledge about banking strategy from serving on the boards of other bank holding companies and diverse business experience from her service as a director of private companies.

Jeffrey S. Wilks, 58

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 2018. We are asking you to ratify that appointment.

KPMG audited our books and records for the years ended December 31, 2017, 2016 and 2015. The fees billed for services rendered to us by KPMG for the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Audit fees	$1,352,750	$1,332,750
Audit-related fees (1)	330,000	291,000
Tax fees (2)	15,724	6,345
All other fees (3)	0	0
Total	$1,698,474	$1,630,095

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

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

(3) KPMG did not provide "other services" during 2016 or 2017.

The Audit Committee maintains a formal policy concerning the pre-approval of audit and non-audit services to be provided by its independent registered public 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 registered public 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 2017. 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 2018.

REPORT OF THE AUDIT COMMITTEE

February 26, 2018

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 2017. With respect to fiscal year 2017, 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 2017 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 2017.

Pursuant to Section 404 of the Sarbanes-Oxley Act, management is required to prepare as part of the Company’s 2017 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 2017 Annual Report on Form 10-K, the auditors’ attestation report on management’s assessment.

During the course of 2017, 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 2017 Annual Report on Form 10-K.

Eric P. Edelstein, Chairman
Andrew B. Abramson
Peter J. Baum
Gerald Korde
Michael L. LaRusso
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. 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 2017, 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.

TENURE AND REFRESHMENT

The Board believes its policies provide for refreshment and tenure limits. With respect to refreshment, Ms. Steans and Mr. Robbins were added in 2018, Messrs. Wilks and Baum were added in 2012, and Messrs. Sani and Lenner were added in 2007. Mr. Barnett Rukin retired from the Board in 2017. In measuring appropriate tenure and refreshment, the Board takes into account that in most cases it takes a significant number of years for new directors to become familiar with bank regulatory issues, longer than in non-regulated industries.

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

Chairman and CEO Roles. During 2017, our Board was led by Gerald H. Lipkin, who was the Chairman of the Board and CEO, and Andrew B. Abramson, who is our Lead Director. Effective January 1, 2018, Mr. Lipkin retired as our CEO and Ira Robbins was named our President and CEO and became a member of our Board. Mr. Lipkin continues to serve as our Chairman of the Board (in a non-executive capacity commencing upon his retirement as CEO).

Our Board is currently comprised of 14 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 factors from our executive management, other Company officers and the chairman of the Risk Committee.

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.

In planning for the succession of Mr. Lipkin as CEO, the Board carefully reviewed the Board's leadership structure and determined that it would be appropriate to separate the roles of the Chairman of the Board and CEO, effective upon Mr. Lipkin's retirement. The Board believes that maintaining Mr. Lipkin's continuing service as non-executive Chairman of the Board following his retirement as Chief Executive Officer provides the most effective leadership model for our Board and our Company. In making this determination, the Board considered the advantages to the Company of maintaining the continuity of Mr. Lipkin's effective leadership as Chairman of the Board based on, among other factors, his leadership skills, his extensive knowledge and experience in lending and commercial banking, as well as his ability to promote communication between our Board and our senior management. The Board also believes this revised leadership structure continues to ensure significant independent oversight of management as Mr. Robbins is the only member of the Board who is also an employee of the Company, and Mr. Lipkin, Mr. Robbins, Mr. Jones and Ms. Guilfoile are the only members of the Board who do not meet the independence criteria set forth in our director independence guidelines and the independence guidelines established by the NYSE.

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, Suresh L. Sani, Jennifer W. Steans 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 $100,000 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
Suresh L. Sani	Commercial Mortgage	None	Checking, Money Market	None
Jennifer W. Steans	None	None	Money Market	None
Jeffrey S. Wilks	Commercial Mortgage, Personal Line of Credit	None	Checking	None

* In compliance with Regulation O.

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. The Board holds an executive session at least twice a year with only independent directors and regularly holds an executive session with only non-management directors. In each instance the Lead Director is 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 2017, 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 76% 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, 2017. Our Board met 10 times during 2017 and the Bank's Board met 10 times during 2017.

The following table presents 2017 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	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
Suresh L. Sani	X	X	X
Jeffrey S. Wilks	X	X	
2017 Number of Meetings*	5	7	6

* Includes telephonic meetings.

AUDIT COMMITTEE. The Audit Committee formally met 5 times during 2017. 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 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 7 times during 2017. 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 also reviews and as appropriate approves all related party transactions in accordance with our Related Party Policy. The Nominating and Corporate Governance Committee is responsible for approving and recommending to the Board our 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;
- Criteria for the annual self-assessment of the Board, and its effectiveness; and
- Responsibilities of the Lead Director.

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 6 times during 2017. This Committee determines CEO compensation, sets 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.

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 January 2018, in undertaking its responsibilities, the Committee received 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 met 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, within certain numerical limits, 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 2017 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 and director 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. FW Cook also was requested to and provided market trends and advice on executive succession planning.

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 2019 annual meeting, the notice must be received by our Secretary at our Wayne, New Jersey office no later than December 21, 2018 nor earlier than November 21, 2018. If the annual meeting is called for a date that is not within 30 days before or after the anniversary date of our 2018 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 2019 annual meeting must be received by our Secretary at our Wayne, New Jersey office no earlier than October 10, 2018 and no later than November 9, 2018. If the annual meeting is called for a date that is not within 30 days before or after the anniversary date of our 2018 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 is 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;
- A majority of the Board members must maintain their principal residences in 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 earlier than 180 days and no later 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 2019, we must receive this notice on or after September 10, 2018, and on or before October 10, 2018.

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 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 2017 compensation of our non-employee directors is shown in the following table. Each of these compensation components is described in detail below.

2017 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (2)	Stock Awards (3)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (4)	All Other Compensation (5)	Total
Andrew B. Abramson (1)	$ 221,250	$50,000	$ 22,179	$ 5,474	$298,903
Peter J. Baum	140,250	50,000	2,210	1,352	193,812
Pamela R. Bronander	129,250	50,000	22,100	1,352	202,702
Eric P. Edelstein (1)	168,750	50,000	10,897	1,352	230,999
Mary J. Steele Guilfoile	130,500	50,000	11,091	1,352	192,943
Graham O. Jones	154,250	50,000	17,215	1,352	222,817
Gerald Korde (1)	170,250	50,000	24,711	1,352	246,313
Michael L. LaRusso	141,250	50,000	9,303	3,413	203,966
Marc J. Lenner (1)	144,000	50,000	6,184	1,352	201,536
Suresh L. Sani	163,750	50,000	6,253	1,352	221,355
Jeffrey S. Wilks	138,750	50,000	2,178	3,413	194,341

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

(2) Includes annual retainer, meeting fees and committee fees and fees for serving as lead director and chairing board committees earned and paid for 2017.

(3) Valley National Bancorp's 2016 Long-Term

Stock Incentive Plan (the “2016 Plan”) provides for non-employee directors to be eligible recipients of limited equity awards. Commencing with Valley's 2017 annual meeting, each non-employee director received a $50,000 restricted stock award (“RSAs”) as part of their annual retainer, granted on the date of the annual shareholders’ meeting. The number of RSAs were determined using the closing market price on the date prior to grant and 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.

(4) Represents the change in the present value of pension benefits year to year under the Directors Retirement Plan for 2017 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 $134,321 in total from the present value reported as of December 31, 2016. This increase is attributable to the passage of time and the decrease in the discount rate

from 4.11% to 3.69%.

(5) This column reflects only the cash dividend and interest on deferred dividends earned on outstanding restricted stock, under the 2004 Directors Restricted Stock Plan in 2017 and the deferred dividends earned in 2017 on the restricted stock that is part of the directors annual retainer, granted on the date of the annual shareholders' meeting.

ANNUAL BOARD RETAINER

Non-employee directors received an annual cash 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 $4,250 for each meeting attended of the Bank and Bancorp combined attended in person, by video conference or conference call. Our non-employee directors are paid meeting fees for attendance by telephone or 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 $20,000. The Chairman of the Compensation and Human Resources Committee receives an annual retainer of $20,000. The Chairman of the Nominating and Corporate Governance Committee receives an annual retainer of

$12,500. The Lead Director receives an annual retainer of $50,000. 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 $20,000 retainer. All other committee chairmen receive a retainer of $7,500. There is an attendance fee of $2,500 for each committee meeting.

DIRECTOR EQUITY AWARDS

Our 2016 Long-Term Stock Incentive Plan (the "2016 Plan") provides for our non-employee directors to be eligible recipients of equity awards limited to not more than $300,000 annually per director. The 2016 Plan was approved by our shareholders.

After our 2017 annual meeting, each non-management director received a $50,000 restricted stock award ("RSA") as part of their annual retainer. The RSAs were granted on the date of the Annual Shareholders meeting, with the number of RSAs determined using the closing market price on the date prior to grant. The RSAs 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.

The Compensation Committee approved a $10,000 increase in the equity award to be made to non-management directors following the Annual Meeting.

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 February 1, 2018 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. The information is obtained partly from each director and by each NEO and partly from Valley.

Name of Beneficial Owner	Number of Shares Beneficially Owned (1)		Percent of Class (2)	
Directors and Named Executive Officers:				
Andrew B. Abramson	249,580	(3)	0.08	%
Peter J. Baum	44,355	(4)	0.01	
Pamela R. Bronander	38,363	(5)	0.01	
Eric P. Edelstein	32,476	(6)	0.01	
Alan D. Eskow	352,075	(7)	0.11	

Mary J. Steele Guilfoile	355,690	(8)	0.11
Ronald H. Janis	38,083	(9)	0.01
Graham O. Jones	967,755	(10)	0.29
Gerald Korde	2,333,235	(11)	0.71
Michael L. LaRusso	47,673	(12)	0.01
Marc J. Lenner	216,971	(13)	0.07
Gerald H. Lipkin	891,514	(14)	0.27
Ira Robbins	120,402	(15)	0.04
Suresh L. Sani	62,439	(16)	0.02
Rudy E. Schupp	206,036	(17)	0.06
Jennifer W. Steans	4,592,716	(18)	1.39
Jeffrey S. Wilks	424,596	(19)	0.13
Directors and Executive Officers as a group (27 persons)	11,401,391	(20)	3.45

(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.

(2) For purposes of calculating these percentages, there were 330,219,322 shares of our common stock outstanding as of February 1, 2018. 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 within 60 days.*

(3) This total includes 14,604 shares held by Mr. Abramson's wife, 12,914 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, 10,401 shares held in self-directed IRA,

2,636 shares in a self-directed IRA held by his wife and 4,088 restricted shares and 8,943 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 and 4,088 restricted shares.

(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; and 4,088 restricted shares.

(6) This total includes 4,088 restricted shares.

(7) This total includes 51,796 shares held by Mr. Eskow's wife, 5,555 shares held in Mr. Eskow's KSOP, 10,578 shares held in his Roth IRA, 1,527 shares held in his IRA, 6,249 shares held jointly with his wife, 1,489 shares in an IRA held by his wife, 40,062 restricted shares, and 42,229 shares purchasable pursuant to stock options exercisable within 60 days. Outstanding performance based restricted stock units are not included.

(8) This total includes 96,971 shares held by Ms. Guilfoile's spouse and 4,088 restricted shares.

(9) This total includes 10,205 shares held by Mr. Janis wife.

(10) This total includes 7,124 shares owned by trusts for the benefit of Mr. Jones' children of which his wife is co-trustee and 4,088 restricted shares.

(11) 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, 126,438 shares held in Mr. Korde's self-directed IRA and 4,088 restricted shares.

(12) This total includes 21,660 shares held jointly with Mr. LaRusso's wife, 4,088 restricted shares and 4,471 restricted shares pursuant to the director restricted stock plan.

(13) This total includes 19,399 shares held in a retirement pension, 589 shares held by Mr. Lenner's wife, 30,187 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), 19,084 shares held by a charitable foundation and 4,088 restricted shares.

(14) This total includes 444,760 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, 57 shares held in his KSOP, and 44,819 shares held by a family charitable foundation of which Mr. Lipkin is a co-trustee. This total also includes Mr. Lipkin's 81,142 restricted shares and 88,684* shares purchasable pursuant to stock options exercisable within 60 days. Outstanding performance based restricted stock units are not included.

(15) This total includes 2,000 shares held by Mr. Robbins' wife, 288 shares held in trusts for benefit of Mr. Robbins' nieces, 56,406 restricted shares and 1,216* shares purchasable pursuant to stock options exercisable within 60 days. Outstanding performance based restricted stock units are not included.

(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, 44,390 shares held in pension trusts of which Mr. Sani is co-trustee and 4,088 restricted shares.

(17) This total includes 12,814 shares held in Mr. Schupp's IRA, 1,780 shares held by Mr. Schupp's wife's IRA and 20,684 restricted shares. Outstanding performance based restricted stock units are not included.

(18) This total includes 141,459 shares held in Ms. Steans' IRA, 729,700 shares held by Ms. Steans' spouse, 211,468 shares held by her spouse in a trust, 33,842 shares held in Ms. Steans' spouse's Roth IRA, 868,890 shares held in a family trust of which Ms. Steans is a trustee, 445,049 shares held by a partnership of which Ms. Steans is one of three partners and 347,418 shares held in custody for her child. Ms. Steans has 20,000 shares in her own name, 141,459 shares in her Roth IRA and 33,842 shares held in her spouse's Roth IRA and 347,418 shares in her child's trust which are not pledged as security for loans. The remaining 4,049,997 shares are pledged as security for loans.

(19) 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' 4,088 restricted shares and 4,471 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.

(20) This total includes 427,432 shares owned by 10 executive officers who are not directors or named executive officers, which total includes 7,799 shares in KSOP and/or IRA, 149 indirect shares, 157,066 restricted shares and 15,111* shares purchasable pursuant to stock options exercisable within 60 days. The total does not include shares held by the Bank's trust department in fiduciary capacity for third parties.

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* See the Outstanding Equity Awards table below for each of the NEO's outstanding awards. As of the record date of February 20, 2018, some exercisable options outstanding have exercise prices that are higher than Valley's market price.

PRINCIPAL SHAREHOLDERS. The following table contains information about the beneficial ownership at December 31, 2017 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 10055	32,104,862	9.72%
Dimensional Fund Advisors LP[3] Building One 6300 Bee Cave Road Austin, Texas, 78746	13,470,786	4.08
State Street Corporation[4] One Lincoln Street Boston, MA 02111	15,213,652	4.61
The Vanguard Group[5] 100 Vanguard Blvd., Malvern, PA 19355	22,348,096	6.77

(1) For purposes of calculating these percentages, there were 330,219,322 shares of our common stock outstanding as of February 1, 2018.

(2) Based on a Schedule 13G/A Information Statement filed January 18, 2018 by BlackRock, Inc. The Schedule 13G/A discloses that BlackRock has sole voting power as to 31,476,076 shares and sole dispositive power as to 32,104,862 shares, and 0 shares as to shared voting power and shared dispositive power.

(3) Based on a Schedule 13G Information Statement filed February 9, 2018 by Dimensional Fund Advisors LP. The Schedule 13G discloses that Dimensional Fund Advisors LP has sole voting power as to 13,076,153 shares, sole dispositive power as to 13,470,786 shares and; 0 as to shared voting power and shared dispositive power.

(4) Based on a Schedule 13G Information Statement filed February 14, 2018 by State Street Corporation. The Schedule 13G discloses that State Street Corporation has 0 shares as to sole voting power and sole dispositive power and; 15,213,652 as to shared voting power and 15,213,652 shares as to shared dispositive power.

(5) Based on a Schedule 13G/A Information Statement filed February 9, 2018 by The Vanguard Group. The Schedule 13G/A discloses that The Vanguard Group has sole voting power as to 285,926 shares, shared voting power as to 27,730 shares, sole dispositive power as to 22,056,340 shares, and shared dispositive power as to 291,756 shares.

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

EXECUTIVE SUMMARY
Say-on-Pay Vote
At the 2017 Annual Meeting of Shareholders, approximately 97% of the votes cast were in favor of the advisory vote to approve executive compensation. This result is an increase from the results of both the 2016 Annual Meeting and the 2015 Annual Meeting at which 94% and 91% of the votes were cast in favor of the advisory vote, respectively. We believe that our recent “say-on-pay” 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 favorably reflected our outreach program to our large institutional shareholders and the changes that we made to our compensation program as a result of those conversations.
In January 2018, the Compensation and Human Resources Committee (the “Committee”) made compensation decisions based on 2017 results considering the input we received from our shareholder engagement. 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 our management made meaningful strides in moving the Company forward in 2017. This was reflected in a significant improvement for 2017 in the performance of our share price relative to our peers after significantly trailing our peers in the prior two years. Net income for the year ended December 31, 2017 was $161.9 million, or $0.58 per diluted common share, compared to 2016 earnings of $168.1 million, or $0.63 per diluted common share. Our 2017 results were adversely impacted by (i) $23.0 million of total charges from the impact of the Tax Cuts and Jobs Act (the “2017 Tax Act”) and the writedown of State deferred tax assets, (ii) $9.9 million ($5.7 million after-tax) in charges related to our “LIFT” earnings enhancement program, and (iii) and $2.6 million ($2.3 million after-tax) of expenses related to our acquisition of USAmeriBancorp, Inc. (“USAB”). Excluding these charges, our adjusted net income was $193.0 million, or $0.69 per diluted common share, for the year ended December 31, 2017, representing increases of $24.8 million, or 14.8%, in net income and $0.06, or 9.5%, in diluted earnings per share compared to 2016 results. We also moved forward with executive succession. In November 2017, our CEO, Gerald H. Lipkin, announced his retirement effective December 31, 2017. At the same time, Rudy E. Schupp, our

President and Chief Banking Officer, also announced his retirement effective January 15, 2018. With the support of our two retiring executives, the Board at the same time appointed Ira D. Robbins, previously the President of Valley National Bank, as CEO and a director, effective January 1, 2018. Mr. Robbins immediately set to work on a strategic plan intended to bring the bank forward and increase earnings. In light of these changes and the important achievements in 2017, the Committee made final compensation decisions for Mr. Lipkin and set Mr. Robbins’ cash and equity bonus for 2017 and his base salary in line with his new role as CEO.
The following is a summary of how we approached our compensation program based on 2017 results:

- Increased Mr. Lipkin’s total direct compensation (salary, cash bonus and equity awards) approximately 2.8% over 2016 levels in recognition of his 2017 accomplishments;
- Modestly increased Mr. Lipkin’s cash bonus by $50,000 from last year in light of Valley’s overall financial performance, including the strengthening of our core earnings, our strong asset quality performance and his role in the USAB merger;
- Increased Mr. Lipkin’s time-based equity compensation modestly ($50,000) from last year;
- Increased the base salary of Mr. Robbins in 2018 by $100,000 to reflect his promotion to CEO but left it significantly below that of Mr. Lipkin;
- Set Mr. Robbins’ 2018 target total direct compensation at $2,695,000, compared to $3,723,500 total direct compensation paid to Mr. Lipkin in 2017;
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- 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-based equity awards;
- For 2018 (granted in early 2019), the performance based nature of the compensation program will be further modified as senior executive equity awards will increase from 2/3 to 3/4 performance equity awards and the relative TSR component will increase from 25% to 40% to better align realized pay with shareholder value creation;

- Continued to grant performance equity awards that cliff vest at the end of three years based on our growth in tangible book value and relative TSR;
- Continued to limit the maximum payout on the TSR portion of the performance equity awards to target if the relative TSR is negative;
- Increased the measurement period for the TSR award from the last 20 trading days of the year to the last 90 days of the year to allow a more representative period in which to measure the Company's stock performance against peers; and
- As a result of the 2017 Tax Act reducing the marginal corporate tax rate from 35% to 21%, the Committee increased the levels necessary to achieve the Threshold, Target and Maximum payout for the new Growth in Tangible Book Value awards and agreed, with respect to outstanding awards, to deduct from the reported increase in Tangible Book Value an amount attributable to a reduction in the tax rate.

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 the 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 2017 was $161.9 million, or $0.58 per diluted common share, compared to 2016 net income of $168.1 million, or $0.63 per diluted common share, which represented a decrease of 3.7% and 7.9%, respectively, over 2016 amounts. The primary reasons for these declines were the charges as a direct result of the 2017 Tax Act and the writedown of State deferred tax assets, the “LIFT” program and the USAB merger. The “LIFT” program is designed to create savings in our expense structure and new revenue opportunities. Implementation of the “LIFT” program began in 2017. Excluding these charges, net income and diluted earnings per share would have increased 14.8% and 9.5%, respectively, in 2017 compared to 2016. While the Committee believes that our core earnings were reflective of good performance, it still believes that there is ample room to improve many areas of the Company’s business. However, the Committee acknowledges that each of the items that reduced the Company’s earnings in 2017 will be of substantial benefit to its performance in upcoming years. The Company anticipates that the 2017 Tax Act charges will be recovered

in future years through a lower tax rate, thereby increasing net income. The “LIFT” program is designed to improve the future efficiency of the Company and management anticipates that the USAB acquisition will strengthen the Company’s earnings platform in the Tampa area within the high growth State of Florida.

Other highlights of 2017 include:

- The strategic design and beginning implementation of our “LIFT” earning enhancement program;
- The design of a strategic plan to target technology resources to more value-added activities and deliver on the financial banking experience expected by our customers;
- The acquisition of USAmeriBancorp, Inc., which was completed effective January 1, 2018, was the largest acquisition ever undertaken by the Company;
- An 8.1% increase in net interest income in 2017 compared to 2016; and
- A total shareholder return in 2017 of 2.19%, which was the 49th percentile of our peer group, compared to 22.9%, or the 14th percentile in our peer group, in 2016.

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 and monitor 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 significant stock ownership requirements on our executives.

OUR COMPENSATION PHILOSOPHY

We believe that Valley's executive compensation should be structured 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 considering 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:

- Management's focus on our "LIFT" earnings enhancement program;
- Our year over year increase in core earnings per share;
- Our increase in percentile rank in 2017 TSR relative to our peer companies from the 14th percentile in 2016 to the 49th percentile in 2017;
- Management's successful acquisition of USAB;
- 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 six times during 2017 and early 2018 to discuss NEO compensation for 2017. At Committee 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 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. FW Cook also assists the Committee with all aspects of the design of our executive and director compensation programs. The Committee assessed the independence of FW Cook and concluded that no conflict of interest exists that prevents FW Cook from independently representing the Committee.

A representative of FW Cook was present and provided advice at 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.

Mr. Lipkin, our CEO until December 31, 2017 and Mr. Robbins, our current CEO, and other NEOs attended portions of the meetings. Mr. Lipkin and Mr. Robbins presented and discussed with the Committee their recommendations for compensation for the NEOs and the executive team without the other NEOs present. Neither made a recommendation to the Committee about his own compensation and neither was present when his compensation was discussed or set by the Committee. The Committee also sought input from internal and external counsel. The Committee sets executive compensation with only Committee members, consultants, the director of Human Resources 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 2017 compensation, our peer group consisted of 17 bank holding companies, each with assets within a reasonable range above and below Valley’s asset size. 10 of these companies are in the NY/NJ/CT metropolitan area and Florida and the 7 other bank holding companies are located throughout the country and have sizes and business models similar to Valley. The Committee believes that this peer group is an appropriate group for comparison with Valley for two primary reasons:

- The companies in the peer group are 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 50, lists all financial institutions in the peer group. The peer group consists of companies with assets

between $9 billion and $49 billion and market capitalization between $1.0 billion and $7.5 billion. Valley ranked in the 44th and 25th 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.

EIP Cash Awards

We award the cash bonus under the EIP in January or February.

Time Vested Equity Awards

We award time vested restricted stock awards under the EIP in January or February. Awards granted in January or February 2018 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 were intended to allow these awards to be qualified under Internal Revenue Code Section 162(m) for tax deductibility regardless of whether the aggregate value of the awards is greater than the $1 million limitation contained in the Code. As a result of the 2017 Tax Act, all compensation over $1 million will not be deductible by the Company unless it is covered by a grandfathered contract (the awards granted in 2018 for 2017 performance will not be grandfathered).

Consistent with prior years, the performance based awards granted in 2018 vest based on the Company's adjusted Growth in Tangible Book Value and relative TSR performance.

OVERALL DESIGN AND MIX OF EQUITY GRANTS
Consistent with 2016 and 2017 awards, the following table summarizes the overall design and mix of our annual long-term equity incentives granted for 2018:

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)	27.8%	33.1%	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)	54.2%	50.2%	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)	18.0%	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 effective date of the grant.
In 2018, the Committee determined the dollar amount of the awards at its meeting in late January and set the grant date of the award as of February 1, 2018. The Committee intends in the future to make all equity grants effective on February 1 with the dollar amount of the grant determined prior to that date and dollar value translated into the number of shares using the closing price the day before the grant date.

2017 TIME VESTED AWARDS
For Mr. Lipkin, 27.8% of the aggregate dollar value of his target annual equity awards granted for 2017 was in the form of time-based vesting restricted stock awards. For the other NEOs, 33.1% of the aggregate dollar value of their target annual equity awards granted for 2017 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.

2017 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 has the authority to adjust the calculation of the Growth in Tangible Book Value for certain items. The Committee uses this authority to avoid either penalizing or rewarding executives for decisions which may adversely or positively affect tangible book value growth.

When it determined the amounts earned with respect to awards which vested on January 30, 2018, the Committee adjusted the calculation of the Growth in Tangible Book Value for several items, including the effects of the Tax Act and the writedown of State deferred tax assets, the LIFT program, expenses related to the USAB acquisition, and the issuance of our preferred stock in 2017.

For Mr. Lipkin, 54.2% of the aggregate dollar value of his equity awards granted for 2017 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, 50.2% of the aggregate dollar value of our NEOs' target equity awards granted for 2017 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 during the years 2018 through 2020. 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 2018-2020	Percentage of Target Shares Earned
Below 10.35%	None
10.35% (Threshold)	50%
12.0% (Target)	100%
13.65% 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 increase in Threshold, Target and Maximum were determined by the Committee with the advice of the Compensation Consultant after reviewing the effective state and federal tax rate in the past and the effect of the 2017 Tax Act on 2018 and future year results. Moreover, the Committee determined that a negative adjustment would be made to existing awards to reflect the unanticipated positive impact on growth in tangible book value arising from the new lower corporate tax rates.

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 2015 (for 2014 performance), in 2016 (for 2015 performance) and in 2017 (for 2016 performance) based on fiscal 2017 financial performance. Prior to 2018, the Threshold was 9.5%, the Target was 11% and the Maximum was 12.5%. Note that the status reported in the below tables for other than 2015 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 2015 awards vested in January 2018 at above Target performance (127% payout) due to the three-year Growth in Tangible Book Value of 11.81%.

Growth in Tangible Book Value

Grant Date	Performance in 2015	Performance in 2016	Performance in 2017	Cumulative Perfor-mance Measured to Date
1/30/2015	11.28%	12.51%	11.63%	11.81%
1/28/2016	N/A	12.51%	11.63%	12.07%
1/24/2017	N/A	N/A	11.63%	11.63%

2017 RELATIVE TSR PERFORMANCE AWARDS

For Mr. Lipkin, 18.0% of the aggregate dollar value of his target annual equity awards granted for 2017 was in the form of RSUs to be earned based on the Company’s relative TSR for the 3-year performance period from January 2018 through December 2020 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 2017 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%

If 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 any dividend equivalents

accrued during the performance period, to the extent earned.
The Company’s cumulative TSR was 34.41% for the three-year period ended December 31, 2017. The percentile rank against Valley’s peer group was 13.5% for that time period. Accordingly, none of the NEOs’ 2015 TSR Performance Awards vested in 2018.
In reviewing the variation in the TSR during the year, the Committee determined to extend the end of the year measurement period of relative TSR from the last 20 trading days of the year to the last 90 calendar days.

PAY DETERMINATIONS

Summary

The Committee increased Mr. Lipkin’s total direct compensation by $100,000, or approximately 2.8%, from last year. More specifically, the Committee made the following compensation determinations with respect to Mr. Lipkin:

- Maintained his salary of $1,123,500 for the seventh consecutive year;
- Increased his total equity awards to $1,800,000 from $1,750,000 for 2016;
- Increased his EIP cash award to $800,000 for 2017 from $750,000 for 2016.

The Committee believes that, as Chairman and CEO, Mr. Lipkin's compensation, more than any other NEO, should reflect the overall performance of the Company rather than individual achievements. The Committee believes that the compensation determination that it made reflects the Company's financial performance in 2017. Although the Company's reported financial results in 2017 were less than those in 2016, given the 14.8% improvement in the Company's earnings, excluding the impact of the 2017 Tax Act, LIFT expenses and USAB merger expenses, compared to 2016, the Committee believed it appropriate to increase Mr. Lipkin's compensation modestly, or by approximately 2.8%.

Discussion

Salaries. For the seventh consecutive year, the Committee determined not to increase the base salary for Mr. Lipkin. Mr. Lipkin will retire as an employee of the Company effective on the date of the Annual Meeting. Mr. Robbins' base salary increased to $850,000 from $750,000 in recognition of his appointment to CEO effective January 1, 2018. Mr. Eskow's salary in 2018 also did not increase. Mr. Janis received a modest increase in base salary of $15,000 from $500,000 in 2017. Mr. Schupp retired in January 2018.

EIP Cash Awards. Under the EIP, Valley may pay incentive compensation to its NEOs in an aggregate amount equal to 5% of its net income before taxes for the calendar year with the exact amounts to be determined by the Committee. In January 2017, the Committee began the process of determining awards under the EIP by identifying the NEOs as the EIP participants and allocating a share of the EIP pool to each participant, as shown in the first column of the table "EIP Awards for 2017".

In January 2018, the Committee certified the amount of the 2017 pool as $12,636,900, which was 5% of 2017 net income before taxes. Based on Valley's 2017 financial results and the 2017 goals accomplished by each NEO, the Committee granted cash awards to the NEOs.

The following table shows the EIP cash awards for each NEO and as a percentage of base salary.

EIP Cash Awards

Named Executive Officer	2017 Base Salary	EIP Cash Awards for 2017	EIP Cash Award as % of 2017 Base Salary
Gerald H. Lipkin	$ 1,123,500	$800,000	71.2%
Alan D. Eskow	575,000	250,000	43.5
Ira Robbins	750,000	450,000	60
Rudy E. Schupp	750,000	450,000	60
Ronald H. Janis	500,000	200,000	40

The cash EIP award for Mr. Lipkin was higher than last year's award by a modest $50,000. The cash award for Mr. Eskow was also a modest $50,000 higher than last year. The cash awards for Messrs. Robbins and Schupp were $200,000 higher than last year. The Committee believed that Messrs. Robbins and Schupp were instrumental in increasing Valley's profits and overall financial performance, as well as implementing the "LIFT" program and orchestrating the USAB acquisition, and thus were deserving of a substantially increased EIP cash award.

EIP - Time Vested Equity Awards

As of February 1, 2018, the Committee granted equity awards to our NEOs under the EIP. These awards consisted of time-vested shares of restricted stock. The time vested awards are granted under the EIP and the 2016 Stock Plan. The following table shows the time-vested restricted stock issued to our NEOs in 2018 and the grant date fair value of each award.

Named Executive Officer	Time Based Restricted Shares	Value of Shares at Grant Date
Gerald H. Lipkin	39,777	$ 500,000

Alan D. Eskow	17,900	225,000
Ira Robbins	33,015	415,000
Rudy E. Schupp	20,684	260,000
Ronald H. Janis	15,911	200,000
Total EIP Awards		

The table below shows the maximum EIP awards permitted for 2017 as well as negative discretion applied to determine the actual cash, time vested equity and total EIP award made to each NEO for 2017 performance.

EIP Awards for 2017

NEO	Allo-cation of EIP Pool	Maximum Permitted Aggregate EIP Award	Cash Award Paid	Time Vested Equity Award Granted	Total Aggr-egate Award Granted
Lipkin	30%	$3,791,070	$800,000	$500,000	$ 1,300,000
Eskow	20%	2,527,380	250,000	225,000	475,000
Robbins	20%	2,527,380	450,000	415,000	865,000
Schupp	20%	2,527,380	450,000	260,000	710,000
Janis	10%	1,263,690	200,000	200,000	400,000
		$12,636,900	$2,150,000	$1,600,000	$ 3,750,000

The aggregate total EIP award (both cash and equity) to all NEOs was $3,750,000, or approximately 29.7% of the total maximum amount available for grant under the EIP to the five NEOs. Mr. Lipkin received a total award of $1,300,000, or approximately 34.3% of his maximum award under the EIP.

Performance Based Equity Awards

In January 2018, the Committee granted performance based restricted stock units to our NEOs under our 2016 Stock Plan. Of these performance based units, 75% are subject to vesting based on the attainment of adjusted Growth in Tangible Book Value and the remaining 25% are based on relative total shareholder return, or TSR, as discussed in more detail above under “Overall Design and Mix of Equity Grants.” The following table shows the performance based equity awards that were made under the 2016 Stock Plan:

	Performance Based Stock Awards at Target			Performance Based Stock Awards at Maximum		
Named Executive Officer	Based on TSR	Based on Growth in TBV	Total	Based on TSR	Based on Growth in TBV	Total
Gerald H. Lipkin	$325,000	$975,000	$1,300,000	$487,500	$1,462,500	$1,950,000
Alan D. Eskow	112,500	337,500	450,000	168,750	506,250	675,000
Ira Robbins	208,750	626,250	835,000	313,125	939,375	1,252,500
Rudy E. Schupp	135,000	405,000	540,000	202,500	607,500	810,000
Ronald H. Janis	100,000	300,000	400,000	150,000	450,000	600,000

Pension and Other Compensation

On January 24, 2017, we entered into an amended and restated severance letter agreement with Mr. Lipkin. The amended letter agreement clarifies Mr. Lipkin’s pension benefit by conforming the actuarial conversion factor that is used to determine his annuity to the Company’s qualified pension plan. The result was an estimated increase in the present value of Mr. Lipkin’s pension benefit of $460,662 as of December 31, 2016. Our retirement plans for NEOs are described in more detail in “2017 Pension Benefits - Pension Plan” and “2017 Pension Benefits - Benefit Equalization Plan”.

As of January 1, 2017, we established a deferred compensation plan for our NEOs and other selected executives. The deferral plan is intended to provide a retirement savings program for earnings above the limits of the qualified 401(k) Plan. The deferral plan has a similar employer match to the 401(k) Plan. Under the deferral plan, if for the calendar year the executive contributes the maximum to the 401(k) Plan, he or she may elect to defer up to 5% of his or her salary and bonus above the 401(k) limits and the Company will match the executive's deferral amount up to the 5% limit. The deferral plan is described in more detail in "2017 Nonqualified Deferred Compensation - Deferral Compensation Plan".

We also provide perquisites to all senior officers. We offer them the use of a company-owned automobile, and in limited instances, use of a driver, primarily for business use. The automobile facilitates NEO travel between our offices, to business meetings with customers and vendors and to investor presentations. NEOs may use the automobile for personal transportation. Personal use of the automobile or driver, if not reimbursed by the NEO, results in taxable income to the NEO, and we include this in the amounts of income we report to the NEO and the Internal Revenue Service. Commencing in 2017, the Committee determined that new executives will receive a car stipend, not use of a company owned car, and this may be applied to existing executives as their cars come up for replacement.

We also support and encourage our NEOs to hold a membership in a local country club for which we pay admission costs, dues and other business related expenses. We find that the club membership is an effective means of obtaining business as it allows NEOs to interact with present and prospective customers in a relaxed, informal environment. We require that any personal use of the country club facilities for golf or food be paid directly by the NEO. Because the club memberships are used at our expense only for business entertainment, we do not include them as perquisites in our Summary Compensation Table.

We also provide change in control agreements and severance agreements to our NEOs. The change in control agreements provide for “double trigger” cash payments in the event of a change of control of Valley. These benefits provide the NEOs with a reasonable range of income protection in the event employment is terminated without cause following a change in control, support our executive retention goals and encourage their independence and objectivity in considering potential change in control transactions. The severance agreements provide benefits to our NEOs in the form of lump sum cash payments if they are terminated by Valley without cause. The terms of these agreements are described more fully in this Proxy Statement under “Other Potential Post-Employment Payments.”

On November 2, 2017, the Company announced the retirement of Mr. Lipkin as CEO effective as of December 31, 2017. In November 2017 the Committee approved a term sheet setting forth the clarifications and expectations regarding post-retirement arrangements for Mr. Lipkin which is described more fully in this Proxy Statement under “Other Potential Post-Employment Payments.”

OTHER PROGRAM FEATURES

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 those equity awards must be held for a period of 18 months following the date of termination.

Clawback: Under our “clawback” policy, if there is a material restatement of our financial statements, or material misconduct by the executive which harms the Company financially, the Committee may “clawback” unvested equity awards and unpaid cash bonus awards and in the event of

intentional fraud or misconduct by the executive, previously paid or vested awards, as well as unvested awards may be clawed back. Our equity grants to executive officers include another “clawback” provision that allows recapture of the award for certain reasons within specified time periods.

No Hedging or Pledging: Valley adopted a policy prohibiting executive officers from entering into hedging and pledging transactions involving Valley’s common stock. The Board believes that such transactions, which have the effect of mitigating the risks and rewards of ownership, may result in the interests of management and shareholders of Valley being misaligned.

Stock Ownership: To better align the interests of our NEOs with those of our common shareholders, we require each NEO to own a minimum number of shares of our common stock. Officers are given a five-year window to meet the requirements. Currently, Messrs. Lipkin, Schupp and Eskow meet the requirements. Due to Mr. Robbins’ recent promotion and Mr. Janis’ recent hiring, these executives do not currently meet the requirements but intend to do so during the five-year window. The table below shows the minimum holdings required of each NEO.

NEO Minimum Stock Ownership Requirements

Title (Name)	Minimum Required Common Stock Ownership
CEO	250,000
CFO	75,000
Senior EVP	35,000

INCOME TAX CONSIDERATIONS

Our federal income tax deduction for non-performance based compensation paid to certain of our NEOs is limited by Section 162(m) of the Internal Revenue Code (IRC) to $1 million annually. Until 2018, compensation paid to any of them exceeding $1 million was non-deductible for federal income tax purposes unless paid under a performance based plan pre-approved by our shareholders. At our annual shareholders meeting in 2010, the EIP was adopted, which allows the Committee to grant awards under the EIP which are intended to comply with the restrictions of Section 162(m). In addition, the 2016 Stock Plan allows the Committee to grant awards which are also intended to comply with the restrictions of Section 162(m) and the Committee has granted performance based equity awards under the 2016 Stock Plan.

As a result of the 2017 Tax Act, compensation over $1 million paid to any person who is or was an NEO will not be deductible by the Company regardless of whether it is paid under a shareholder pre-approved performance based plan. Except for a small portion of Mr. Lipkin’s salary, we believe that all compensation paid or granted to our NEOs in 2017 was deductible for federal income tax purposes.

COMPENSATION COMMITTEE REPORT AND CERTIFICATION

The Compensation and Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on that review and those discussions, it has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Gerald Korde, Committee Chairman
Andrew B. Abramson
Pamela R. Bronander
Eric P. Edelstein
Michael L. LaRusso
Marc J. Lenner
Suresh L. Sani

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of shares to be issued upon exercise of outstanding options and rights*	Weighted average exercise price on out-standing options and rights	Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in the first column)
Equity compensation plans approved by security holders	2,119,424	$ 13.01	7,271,037
Equity compensation plans not approved by security holders	—	—	—
Total	2,119,424	$ 13.01	7,271,037

* Amount includes 446,980 options outstanding with a weighted average exercise price of $13.01 and 1,672,444 performance-based restricted stock units measured at maximum vesting at December 31, 2017. Amount does not include 1,771,702 outstanding restricted shares.

SUMMARY COMPENSATION TABLE

The following table summarizes all compensation in 2017, 2016 and 2015 earned by our chief executive officer, chief financial officer and the three most highly paid executive officers (NEOs) for services performed in all capacities for Valley and its subsidiaries.

Name and Principal Position	Year	Salary	Stock Awards[1]	Non-Equity Incentive Plan Compen-sation[2]	Change in Pension Value and Non-Qualified Deferred Compen-sation Earnings[3]	All Other Compen-sation[4]	Total	Total Without Change in Pension Value*
Gerald H. Lipkin[5]	2017	$1,123,500	$1,800,000	$ 800,000	$ 825,168	$ 296,170	$4,844,838	$4,019,670
Chairman of the	2016	1,123,500	1,750,000	750,000	909,924	188,536	4,721,960	3,812,036
Board and CEO	2015	1,123,500	1,526,500	600,000	513,382	156,389	3,919,771	3,406,389
Ira Robbins	2017	750,000	1,250,000	450,000	80,405	142,745	2,673,150	2,592,745
Senior EVP, Valley and President, Valley National Bank	2016	525,000	750,000	250,000	45,718	77,757	1,648,475	1,602,757
Alan D. Eskow	2017	575,000	675,000	250,000	15,279	156,701	1,671,980	1,656,701
Senior EVP, CFO and	2016	545,750	675,000	200,000	0	118,714	1,539,464	1,539,464
Corporate Secretary	2015	545,750	675,000	200,000	45,342	107,034	1,573,126	1,527,784
Rudy E. Schupp[6]	2017	750,000	800,000	450,000	0	159,688	2,159,688	2,159,688
President, Valley and Chief Banking Officer, Valley National Bank	2016	525,000	750,000	250,000	0	69,392	1,594,392	1,594,392
Ronald H. Janis[7]	2017	500,000	800,000	250,000	0	50,131	1,600,131	1,600,131
Senior EVP, Valley and General Counsel								

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* The amounts reported in this column differ, in certain cases substantially, from the amounts reported in the “Total” column required under SEC rules and should not be considered a substitute for the “Total” column of the Summary Compensation Table.

(1) Stock awards reported in 2017 reflect the grant date fair value of the restricted stock and performance based restricted stock unit awards under Accounting Standards Codification Topic No. 718, Compensation-Stock Compensation ("ASC Topic 718") granted by the Compensation Committee based on 2017 results. The grant date fair value of time based restricted stock awards reported in this column for each of our NEOs was as follows: Mr. Lipkin, $500,000; Mr. Eskow, $225,000; Mr. Robbins, $415,000; Mr. Schupp, $260,000 and Mr. Janis $200,000. The amount reported for Mr. Janis also includes his $200,000 sign-on restricted grant. Restrictions on time based restricted stock awards lapse at the rate of 33% per year. The grant date fair value of performance based restricted stock units reported in this column for each of our NEOs is the target value. Restrictions on performance based awards lapse based on achievement of the performance goals set forth in the performance restricted stock unit award agreement. Any shares earned based on achievement of the specific performance goals vest when the Compensation Committee certifies the payout level as a result of such performance achievement following the three-year performance period. The value on grant date of the performance based restricted stock unit awards based upon performance goal achievement at target and maximum would be as follows:

Name	Target Value at Grant Date	Maximum Value at Grant Date

Gerald H. Lipkin(5)	$1,300,000	$1,950,000
Ira Robbins	835,000	1,252,500
Alan D. Eskow	450,000	675,000
Rudy E. Schupp(6)	540,000	810,000
Ronald H. Janis	400,000	600,000

(2) Non-Equity awards earned for the years ending before 2017 were distributed as follows: 50% of the non-equity award was paid on award and the remaining balance was paid in eight equal quarterly installments.

(3) Represents the change in the present value of pension benefits from year to year, taking into account the age of each NEO, a present value factor, and interest discount factor based on their remaining time until retirement. The increase in pension value is attributable to the following sources: 1) passage of time, 2) a decrease in the discount rate from 4.11% to 3.69%, and for Mr. Lipkin, 3) actuarial increases received for late retirement past age 70 ½.

(4) All other compensation includes perquisites and other personal benefits paid in 2017 including automobile and driver (if applicable), accrued dividends on nonvested restricted stock, 401(k) contribution payments, 401(k) SERP contribution payments by Valley (including interest earned) and group term life insurance (see table below).

Name	Auto[(1)]	Accrued Dividends & Interest Earned on Nonvested Stock Awards[(2)]	401(k)[(3)]	401(k) SERP[(4)]	GTL[(5)]	Other	Total
Gerald H. Lipkin	$11,519	$ 183,394	$13,250	$88,007	$ 0	$ 0	$296,170
Ira Robbins	10,541	70,997	13,250	46,817	1,140	0	142,745
Alan D. Eskow	15,122	82,749	13,250	31,102	14,478	0	156,701
Rudy E. Schupp	5,204	70,997	13,250	46,817	14,478	8,942	159,688
Ronald H. Janis	19,933	3,783	0	21,931	4,484	0	50,131

(1) Auto represents the cost to the Company of the portion of personal use of a company-owned vehicle by the NEO and, driving services and parking (if applicable), during 2017.

(2) Accrued dividends and interest on non-vested time and performance based restricted stock awards and performance based restricted stock units until such time as the vesting takes place. Dividends and interest on performance based awards and units are accrued at target and are only paid to the extent the underlying award vests.

(3) After one year of employment, the Company provides to all full time employees in the plan including our NEOs, up to 100% of the first 4% of pay contributed 50% of the next 2% of pay contributed. An employee must save at least 6% to get the full match (5%) under the 401(k) Plan.

(4) Effective January 1, 2017, Valley established the Valley National Bancorp Deferred Compensation Plan for the benefit of certain eligible employees, see Deferred Compensation Plan under the 2017 Pension Benefits below. If the NEO utilizes the 401(k) to the maximum, for amounts over the maximum compensation amount allowed under the 401(k), the NEO may elect to defer 5% of the excess and the Company will match that deferral compensation.

(5) GTL or Group Term Life Insurance represents the taxable amount for over $50,000 of life insurance for benefits equal to two times salary. This benefit is provided to all full time employees. Mr. Lipkin has a $50,000 life insurance policy with the Company and is not subject to a taxable amount.

(5) In 2017, Mr. Lipkin notified the Company of his intention to retire as CEO effective December 31, 2017 and as an employee effective as of April 2018.

(6) Mr. Schupp retired on January 15, 2018.

(7) In joining the Company on January 2, 2017, Mr. Janis received a sign on bonus of $200,000 of restricted stock which vested after six months and a $50,000 cash bonus. His awards for service in 2017 were a $200,000 cash bonus and a $600,000 equity award.

2017 GRANTS OF PLAN-BASED AWARDS

The following table represents the grants of awards to the NEOs in 2018 for 2017 performance under the Executive Incentive Plan and Long-Term Stock Incentive Plan.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[(1)]			Estimated Possible Payouts Under Equity Incentive Plan Awards (#)[(1)]			All Other Stock Awards: Number of Shares of Stock[(1)]	Grant Date Fair Value of Stock Awards[(2)]
Name	Grant Date	Threshold	Target	Maximum	Threshold	Target	Maximum		
Gerald H. Lipkin	2/1/2018		$561,750	$1,123,500	51,711	103,421	155,132		$ 1,300,000
	2/1/2018							39,777	500,000
Ira Robbins	2/1/2018		262,500	525,000	33,214	66,428	99,642		835,000
	2/1/2018							33,015	415,000
Alan D. Eskow	2/1/2018		201,250	402,500	17,900	35,800	53,700		450,000
	2/1/2018							17,900	225,000
Rudy E. Schupp	2/1/2018		262,500	525,000	21,480	42,959	64,439		540,000
	2/1/2018							20,684	260,000
Ronald H. Janis	2/1/2018		125,000	250,000	15,911	31,822	47,733		400,000
	2/1/2018							15,911	200,000
	1/3/2017							17,182	200,000

(1) As discussed in the Compensation Discussion and Analysis, in January 2017, the Compensation Committee assigned a percentage share of the 2017 EIP bonus pool of 5% of our 2017 net income before income taxes to each of our NEOs. The EIP permits the Compensation Committee to determine to pay earned awards, in whole or in part, in the form of cash or equity awards granted under our Long-Term Stock Incentive Plan. For 2017, the Compensation Committee determined that any cash awards that may be earned under the EIP bonus pool would be limited to a pre-established range set as a percentage of the particular NEO's base salary. Each NEO could earn between 0% to 200% of his target cash award as reported under "Estimated Possible Payouts Under Non-Equity Incentive P