

VALLEY NATIONAL BANCORP CORPORATE GOVERNANCE GUIDELINES

1. Director Responsibilities

Directors of the Company may serve as directors of both the holding company – Valley National Bancorp – and the Bank – Valley National Bank – and other subsidiaries of the Bank.

The basic responsibility of the directors is to exercise sound business judgment to act in what they reasonably believe to be the best interests of the Company and its shareholders. In discharging this responsibility, directors are entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors are entitled to the protection afforded by the Company's purchase of reasonable directors' and officers' liability insurance on their behalf to indemnify them to the fullest extent permitted by law and the Company's charter and by-laws, and to exculpate them as provided by state law and the Company's charter.

Directors are expected to attend Board of Director ("Board") meetings and meetings of committees on which they serve, and to spend the time needed to review information, and meet as frequently as necessary to discharge properly their responsibilities. Information that is important to the Board's understanding of the business to be conducted at a Board or committee meeting generally should be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The first duty of a director is loyalty to the interests of the shareholders, to protect shareholder value and to work to promote the long-term profitability of the Company. Directors also should endeavor to see that the Company serves the economic needs of the community, that the Bank operates in a manner that safeguards customer deposits, and that employment policies and procedures are designed so the Company is a responsible employer and provides a pleasant and rewarding place for people to work.

Directors should work closely with the CEO providing loyalty and support in the establishment of procedures and policies that are designed to achieve success. Nonemployee Board members must maintain independence from management. Management works for the Board not the other way around.

Certain responsibilities may be assigned by the Board to a Board Committee with the Committee to report to the Board. Board members should spend a substantial portion of their Board time evaluating the Company's performance. Board members have a responsibility to assure there is a process to determine a line of succession for senior management, including the CEO.

Director and Executive officer compensation including CEO compensation is determined by the Compensation and Human Resources Committee ("Compensation Committee") and reported to the Board of Directors.

Board members are responsible for monitoring the Company to assure it is performing according to policy. Regular meetings with the CEO and senior officers provide the opportunity to review and measure performance. Each Board member should review all regulatory examinations of the Bank and the Company and be familiar with their contents. The Board of Directors should review and approve the strategic plan for the Company on a periodic basis and monitor the effectiveness of management in implementing the plan.

Oversight of the Company's compliance with the law is a responsibility of the Board, so its members should be informed about major compliance requirements. Significant compliance policies should be reviewed and approved by the Board. The Company should maintain and communicate its Code of Ethics and Conduct to encourage behavior that fosters public trust and confidence. Officers, employees, and Board members must sign the Code of Conduct upon joining the Company (and each subsidiary) and periodically renew in writing his or her adherence to the Code of Conduct as they serve.

The Board of Directors should prompt the development of appropriate policies reflecting the ethical principles of the Company that foster safe and sound bank activities. The Bank's Loan Policy and other policies governing major Bank processes and activities should be reviewed and approved annually by the Board.

Board members are responsible for reviewing the Company's Annual Form 10-K, as well as each Form 10-Q and other significant SEC reports.

The Board believes that the management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members would do this with the knowledge of management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management. Section 5 of these Guidelines covers access to officers and employees.

2. Meetings of Non-Management and Independent Directors

Non-management directors will meet in regular executive sessions established by the Board. In addition, Independent directors will meet in executive session at least once a year. The Chairpersons of the Audit and Risk Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee will rotate as the presiding director at these meetings as approved by the Board each year. This process will be disclosed in the annual proxy statement.

All directors should provide the presiding director with agenda items the director desires to have addressed with appropriate prior notice so the presiding director can circulate the agenda to all directors in advance of the meeting. Decisions of the non-management and independent directors are not effective until the Board of Directors ratifies them.

3. Director Qualifications

The Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange and the NASDAQ Stock Market. All directors will meet the additional criteria set forth below. The Nominating and Corporate Governance Committee will be responsible for reviewing with the Board, on an annual basis, the requisite skills and backgrounds of Board members, as well as the composition of the Board as a whole. This assessment will include members' qualifications as independent, as well as consideration of the diversity, age, skills, and experience of directors in the context of the needs of the Board. Director nominees will be selected by the Nominating and Corporate Governance Committee in accordance with the policies and principles in its charter and this policy. Any invitation to join the Board should be agreed to by the Board as well.

Board members are expected to meet the following criteria. Any criteria for Board membership may be waived by a resolution of the Board in connection with directors who initially join the Board pursuant to a merger and have served on the board of directors of the acquired company.

A. Age

- To be eligible for re-election, the director must not have attained age 76 at or before the time of the annual meeting of the Company's shareholders at which his or her election is to be voted upon, provided that the Board may in its discretion extend this age limit on a year-by-year basis only, for any Board member as to whom it determines, in a meeting in which the affected director does not participate, at or about the time it nominates management candidates for election to the Board, that the director's service for an additional year will sufficiently benefit the Company to warrant his or her nomination as a management candidate for election for that additional year.
- An individual may join the Board if the individual will not have attained age 61 when service as a director begins, except that such limitation is inapplicable to a person who, when elected or appointed, is a full time employee and member of the Company's senior management (Executive Vice President or higher), or who was serving as a member of the Board of Directors of another company at the time of its acquisition by Bancorp.
- Board members must demonstrate that they are able to contribute effectively regardless of age.

B. Residence

- A Board member must be a U.S. citizen, in compliance with the federal statute 12 USC §72 - Qualifications.
- A majority of the Board members must maintain their principal residence (voting and tax return address) within 100 miles of Wayne, New Jersey (Valley's primary service area);
- Board members may not stand for re-election to the Board for more than four terms following their establishing a principal, legal residence outside Valley's primary service area, as stated above.

C. Stock Ownership

- Board members must own a minimum of 5,000 shares of Valley National Bancorp Common Stock of which 1,000 shares must be in their own name (or jointly with the director's spouse) and not pledged or hypothecated.

D. Attendance

- 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. Attendance will be measured from November 1 to October 31.
- Board members 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 the Bank.
- Board members should be available to attend continuing education opportunities throughout the year.

E. Integrity

- Board members are expected to be above reproach in their personal and professional lives and their financial dealings with Valley 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 the Code of Ethics and Conduct, 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 of Directors. If a loan made to a director or guaranteed by a director is classified substandard, the Board may ask the director to resign.
- Board members may not serve on the board of any other bank or financial institution or on the boards of more than two other public companies while a member of Valley's Board, without the approval of the Board of Directors.

F. Experience

- Board members should understand basic financial principles, and represent a variety of areas of expertise and diversity in personal and professional backgrounds and experiences.

G. Business Development

- Each Board member should be an advocate for Valley National Bank within the community.
- It is expected that the Bank's deposit, lending, and other products and services will be utilized by the Board member for his or her personal and business affiliations.

4. Board Committees

The Board will have at all times an Audit and Risk Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. All of the members of these committees must meet the criteria established by the New York Stock Exchange and the NASDAQ Stock Market for independent directors as of the phase-in date for such rules. Committee members will be appointed by the Board upon recommendation of the Nominating and Corporate Governance Committee. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be a requirement.

Each of the Committees required under these guidelines shall have its own charter, which will conform to the requirements of the New York Stock Exchange and the NASDAQ Stock Market. The charters will set forth the purposes, goals, and responsibilities of the committees, as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

The Board and each committee has the power to hire independent, legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company. The Board may establish additional committees as it determines necessary or appropriate and may, on occasion, for educational purposes or otherwise, rotate directors onto those additional committees.

5. Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary, or directly by the director or in accordance with a committee's charter. The directors will use their judgment to ensure that any such contact is not disruptive to the business or operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.

The Board welcomes regular attendance at Board meetings of senior officers of the Company. If the CEO wishes additional Company personnel to attend, this suggestion should be brought to the Board for approval.

6. Director Compensation

Board members will be compensated appropriately for service. Annually, the Compensation Committee will review all aspects of director compensation and if warranted make recommendations to the full Board for changes. Any change will not be effective until a new Board is elected by the shareholders. The form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter. The Compensation Committee will evaluate the forms and amounts of director compensation typical in the industry, and will consider that the directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

In recognition of service to the Company, a retirement plan for non-management Board members has been established. This plan is set forth in a formal plan document, which may be amended from time to time.

7. Director Orientation and Continuing Education

All new directors should participate in a Company orientation program for new directors within two months of joining the Board. This orientation will include presentations by senior management to familiarize new directors with the Company's organizational structure, key business segments, strategic plans and activities, significant financial, accounting and risk management issues, compliance programs, Code of Ethics and Conduct, principal officers, and internal auditors. It is expected that outside directors will attend continuing education programs in accordance with the approved Director Training Program.

8. CEO Evaluation and Management Succession

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long- and short-term.

The Nominating and Corporate Governance Committee should make an annual report to the Board on succession planning. The entire Board will work with the Nominating and Corporate Governance Committee to evaluate potential successors to the CEO. The CEO should periodically report on his or her evaluations of potential successors, along with a review of any development plans recommended for such individuals.

If the CEO should die or suddenly become incapacitated and permanently unable to serve as CEO, the Valley National Bancorp Board, acting in the best interests of shareholders, shall implement the following procedures:

The Board shall select two of its members to serve as acting Co-Chairmen of the Bank and the Company until a successor to the CEO is designated. This appointment is not expected to last more than 90 days. Those selected will be expected to be available to senior management of the Company, on a daily basis and each will be compensated by a stipend of \$10,000 per month (30-day period or any part thereof) for up to 90 days.

Recognizing that there could be several candidates for the position among the executive officers, the Board will immediately begin the process of interviewing and testing officers to find a successor from among those officers. In its selection process, the Board may use industrial psychologists or any other professionals it might deem appropriate to assist in making its selection. While it is believed to be most desirable to find the CEO from within Valley, the Board shall not be precluded from considering candidates from outside the Company.

9. Annual Performance Evaluation

The Board of Directors will conduct an annual self-evaluation to determine whether the Board and its committees are functioning effectively. The Nominating and Corporate Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which Board members or management believe the Board could improve. In addition, the Committee will consider the contributions and effectiveness of individual directors and request appropriate follow-up actions to be taken by the Chairman of the Board and Chairman of the Committee.