

Bank of New York Mellon CORP  
Form PRE 14A  
March 02, 2010  
Table of Contents

**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  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**The Bank of New York Mellon Corporation**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**OF**  
**THE BANK OF NEW YORK MELLON CORPORATION**

**One Wall Street**

**New York, New York 10286**

**Date of Meeting:** April 13, 2010

**Time:** 9:00 a.m., local time in Pittsburgh, Pennsylvania

**Place:** Omni William Penn, 530 William Penn Place, Pittsburgh, Pennsylvania 15219

**Purposes:** We are holding the Annual Meeting for the following purposes:

- to elect 15 directors from the nominees named in this proxy statement to serve on our Board until the 2011 Annual Meeting of stockholders and until their successors shall have been elected and qualified;
- to approve an advisory (non-binding) resolution relating to 2009 executive compensation;
- to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2010 fiscal year;
- to act on three stockholder proposals, if properly presented at the Annual Meeting; and
- to transact any other business that may properly come before the Annual Meeting.

The proxy statement describes these items. As of the date of this notice, we have not received notice of any other matters that may be properly presented at the Annual Meeting.

**Record Date:** The Board of Directors has fixed the close of business on February 12, 2010 as the record date for determining stockholders entitled to notice of and to vote at the meeting.

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### **Voting by Proxy:**

Please submit a proxy card or, for shares held in street name, a voting instruction form, as soon as possible so that your shares can be voted at the meeting. You may submit your proxy card or voting instruction form by mail. If you are a registered stockholder, you may also vote by telephone or electronically over the Internet by following the instructions included with your proxy card. If your shares are held in street name, you may have the ability to instruct the record holder as to the voting of your shares by telephone or over the Internet. Follow the instructions on the voting instruction form that you receive from your broker, bank or other nominee.

### **Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on April 13, 2010**

**A complete copy of this proxy statement and our annual report for the year ended December 31, 2009 are also available at our website at <http://bnymellon.mobular.net/bnymellon/bk>.**

**Table of Contents**

**We hope that you are able to attend our Annual Meeting. Whether or not you plan to attend, it is important that you vote your shares at the meeting. To ensure that your shares are voted at the meeting, please promptly complete, sign, date and return your proxy card(s) in the enclosed envelope, or vote by telephone or over the Internet by following the instructions found on the proxy card(s), so that we may vote your shares in accordance with your wishes and so that enough shares are represented to allow us to conduct the business of the Annual Meeting. Mailing your proxy(ies) or voting by telephone or over the Internet does not affect your right to vote in person if you attend the Annual Meeting.**

By Order of the Board of Directors,

Arlie R. Nogay

*Corporate Secretary*

March 15, 2010

**Table of Contents**

## TABLE OF CONTENTS

<b><u>Notice of Annual Meeting of Stockholders</u></b>	Cover
<b><u>Date, Time and Place of Annual Meeting</u></b>	1
<b><u>Who Can Vote; Outstanding Shares on Record Date</u></b>	1
<b><u>Mailing Date</u></b>	1
<b><u>What is a Proxy?</u></b>	1
<b><u>Voting Your Shares</u></b>	1
<b><u>Revoking Your Proxy</u></b>	2
<b><u>Voting in Person</u></b>	2
<b><u>Quorum</u></b>	2
<b><u>Vote Required for Approval</u></b>	3
<b><u>Annual Meeting Admission</u></b>	3
<b><u>How Our Board Solicits Proxies; Expense of Solicitation</u></b>	3
<b><u>Householding</u></b>	3
<b><u>Proposal 1 Election of Directors</u></b>	4
<b><u>Nominees for Election as Directors</u></b>	4
<b><u>Nomination Procedures</u></b>	4
<b><u>Nomination Procedures in Effect Until July 1, 2010</u></b>	4
<b><u>Nomination Procedures in Effect After July 1, 2010</u></b>	5
<b><u>Director Qualifications</u></b>	6
<b><u>Diversity of the Board</u></b>	7
<b><u>Information About the Nominees</u></b>	8
<b><u>Standard for Election of Directors</u></b>	18
<b><u>Plurality Standard for 2010 Annual Meeting</u></b>	18
<b><u>Majority Standard for Uncontested Elections After July 1, 2010</u></b>	18
<b><u>Board Meetings and Board Committee Information</u></b>	20
<b><u>2009 Board Meetings</u></b>	20
<b><u>Committees and Committee Charters</u></b>	20
<b><u>Audit Committee</u></b>	20
<b><u>Corporate Governance and Nominating Committee</u></b>	21
<b><u>Corporate Social and Responsibility Committee</u></b>	21
<b><u>Human Resources and Compensation Committee</u></b>	22
<b><u>Compensation Committee Interlocks and Insider Participation</u></b>	23
<b><u>Risk Committee</u></b>	23
<b><u>Report of the Audit Committee</u></b>	24
<b><u>Audit Fees, Audit Related Fees, Tax Fees and All Other Fees</u></b>	24
<b><u>Other Services Provided by KPMG LLP</u></b>	25
<b><u>Pre-Approval Policy</u></b>	25
<b><u>Executive Compensation Consultants to the Human Resources and Compensation Committee</u></b>	25
<b><u>Corporate Governance Matters</u></b>	26
<b><u>Corporate Governance Guidelines</u></b>	26
<b><u>Employee Code of Conduct</u></b>	26
<b><u>Directors Code of Conduct</u></b>	26
<b><u>Director Independence</u></b>	27
<b><u>Our Standards of Independence</u></b>	27
<b><u>Business Relationships and Related Transactions Policy</u></b>	29
<b><u>Lead Director, Executive Sessions of Independent Directors, and Communications with Lead Director and Independent Members of the Board</u></b>	31
<b><u>Our Lead Director</u></b>	31
<b><u>Executive Sessions of Non-Management Directors</u></b>	31
<b><u>Communications with Lead Director and Independent Members of the Board</u></b>	31

**Table of Contents**

<b><u>Our Board Leadership Structure</u></b>	32
<b><u>The Role of the Board in Risk Oversight</u></b>	33
<b><u>Beneficial Ownership of Shares by Holders of 5% or More of Outstanding Stock</u></b>	35
<b><u>Beneficial Ownership of Shares by Directors and Executive Officers</u></b>	35
<b><u>Section 16(a) Beneficial Ownership Reporting Compliance</u></b>	37
<b><u>Director Compensation</u></b>	37
<b><u>Review of Compensation and Incentive Plans to Assure No Unnecessary or Excessive Risks</u></b>	39
<b><u>Introduction</u></b>	39
<b><u>Risk Assessment</u></b>	39
<b><u>Compensation and Incentive Plan Initiative</u></b>	40
<b><u>Compensation Discussion and Analysis</u></b>	41
<b><u>Report of the Human Resources and Compensation Committee</u></b>	55
<b><u>Executive Compensation</u></b>	56
<b><u>Summary Compensation Table</u></b>	56
<b><u>Grants of Plan-Based Awards Table</u></b>	59
<b><u>Outstanding Equity Awards at Fiscal Year-End</u></b>	60
<b><u>Option Exercises and Stock Vested</u></b>	62
<b><u>Retirement Plans</u></b>	62
<b><u>Nonqualified Deferred Compensation</u></b>	65
<b><u>Potential Payments Upon Termination or Change in Control</u></b>	66
<b><u>Equity Compensation Plans Table</u></b>	73
<b><u>Proposal 2 Advisory (Non-Binding) Vote Regarding 2009 Executive Compensation</u></b>	75
<b><u>Proposal 3 Ratification of the Selection of the Independent Registered Public Account Firm</u></b>	76
<b><u>Proposal 4 Stockholder Proposal Requesting Adoption of Cumulative Voting</u></b>	77
<b><u>Proposal 5 Stockholder Proposal Requesting Adoption of a Policy Requiring a Five Year Lock-Up Period for Senior Executives</u></b>	79
<b><u>Proposal 6 Stockholder Proposal Requesting Stockholder Approval of Certain Future Severance Agreements with Senior Executives</u></b>	82
<b><u>Stockholder Proposals For 2011 Annual Meeting</u></b>	84
<b><u>Other Business</u></b>	84



**Table of Contents**

**THE BANK OF NEW YORK MELLON CORPORATION**

**One Wall Street**

**New York, New York 10286**

**PROXY STATEMENT**

**Date, Time and Place of Annual Meeting**

The Board of Directors of The Bank of New York Mellon Corporation, which we refer to as our company, solicits your proxy for our 2010 Annual Meeting of stockholders to be held on April 13, 2010 at 9:00 a.m. local time in Pittsburgh, Pennsylvania at the Omni William Penn, 530 William Penn Place, Pittsburgh, Pennsylvania 15219, and any adjournment of the meeting, for the purposes set forth in the Notice of Annual Meeting.

**Who Can Vote; Outstanding Shares on Record Date**

Only stockholders of record of our common stock at the close of business on February 12, 2010 may vote at the Annual Meeting. On the record date, we had 1,208,396,830 shares of common stock outstanding. You are entitled to one vote for each share of common stock that you owned on the record date. The shares of common stock held in our treasury will not be voted.

**Mailing Date**

We began mailing this proxy statement and the enclosed proxy card on March 15, 2010 to all stockholders entitled to vote at the Annual Meeting. We have enclosed with this proxy statement our 2009 annual report to stockholders. This report contains detailed information about our activities and financial performance in 2009.

**What is a Proxy?**

A proxy is an authorization to vote your shares. Your proxy gives us authority to vote your shares and tells us how to vote your shares at the Annual Meeting or any adjournment. Three of our employees, who are called proxies or proxy holders and are named on the proxy card, will vote your shares at the Annual Meeting according to the instructions you give on the proxy card or by telephone or over the Internet.

**Voting Your Shares**

Whether or not you plan to attend the Annual Meeting, we urge you to vote your shares promptly.

If you are a stockholder of record (that is, you hold your shares of our common stock in your own name), you may vote your shares by proxy using any of the following methods:

completing, signing, dating and returning the proxy card in the postage-paid envelope provided;

calling the toll-free telephone number listed on the proxy card; or

using the Internet site listed on the proxy card.

The telephone and Internet voting procedures set forth on the proxy card are designed to authenticate stockholders' identities, to allow stockholders to provide their voting instructions and to confirm that their instructions have been properly recorded. If you vote by telephone or over the Internet, you should not return your proxy card.

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If you are a beneficial owner, also known as a street name holder (that is, you hold your shares of our common stock through a broker, bank or other nominee), you will receive voting instructions (including, if your

## **Table of Contents**

broker, bank or other nominee elects to do so, instructions on how to vote your shares by telephone or over the Internet) from the record holder, and you must follow those instructions in order to have your shares voted at the Annual Meeting.

Depending on how you hold your shares, you may receive more than one proxy card.

Your vote is important. Whether you vote by mail, telephone or over the Internet, your shares will be voted in accordance with your instructions. If you sign, date and return your proxy card without indicating how you want to vote your shares, the proxy holders will vote your shares in accordance with the following recommendations of the Board of Directors:

- Proposal 1      **FOR** the election of each nominee for director;
- Proposal 2      **FOR** the approval of the advisory (non-binding) resolution approving the 2009 compensation of executives, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission;
- Proposal 3      **FOR** the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010;
- Proposal 4      **AGAINST** the approval of the stockholder proposal for cumulative voting in the election of directors;
- Proposal 5      **AGAINST** the approval of the stockholder proposal to adopt a policy to require a five year lock-up period for senior executives' equity incentive awards, one-fifth of which can be sold in each of the five years once they vest; and
- Proposal 6      **AGAINST** the approval of the stockholder proposal for stockholder approval of certain future severance agreements with senior executives.

In addition, if other matters are properly presented for voting at the Annual Meeting, the proxy holders are also authorized to vote on such matters as they shall determine in their sole discretion. As of the date of this proxy statement, we have not received notice of any other matters that may be properly presented for voting at the Annual Meeting.

### **Revoking Your Proxy**

You may revoke your proxy at any time before it is voted at the Annual Meeting by:

delivering a written notice of revocation to our Corporate Secretary at the address indicated on the first page of this proxy statement;

submitting another signed proxy card with a later date;

voting by telephone or over the Internet at a later date; or

attending the Annual Meeting and voting in person.

### **Voting in Person**

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If you are a registered stockholder or you hold a proxy from a registered stockholder, you may attend the Annual Meeting and vote in person by obtaining and submitting a ballot that will be provided at the meeting.

### **Quorum**

A quorum is the minimum number of shares required to conduct business at the Annual Meeting. Under our by-laws, to have a quorum, a majority of the outstanding shares of stock entitled to vote at the Annual Meeting

## **Table of Contents**

must be represented in person or by proxy at the meeting. Abstentions and withhold votes (in the election of directors) are counted as present for determining the presence of a quorum. Inspectors of election appointed for the Annual Meeting will tabulate all votes cast in person or by proxy at the Annual Meeting. In the event a quorum is not present at the Annual Meeting, we expect that the Annual Meeting will be adjourned or postponed to solicit additional proxies.

### **Vote Required for Approval**

Each of the 15 nominees for director receiving the most votes cast for election will be elected. (See Standard for Election of Directors below.)

All other matters to be voted on at the Annual Meeting require for approval the favorable vote of a majority of the votes cast on the applicable matter at the meeting in person or by proxy. Abstentions and broker non-votes are not treated as votes cast on a proposal. Therefore, an abstention or broker non-vote will not have the effect of a vote for or against the proposal and will not be counted in determining the number of votes required for approval, though they will be counted in determining the presence of a quorum.

If your shares are held by a broker, the broker will ask you how you want your shares to be voted. If you give the broker instructions, your shares will be voted as you direct. If you do not give instructions, one of two things can happen, depending on the type of proposal. For the advisory resolution relating to 2009 executive compensation (Proposal 2) and ratification of the auditor (Proposal 3), the broker may vote your shares in its discretion. For all other proposals, the broker may not vote your shares at all if you do not give instructions.

### **Annual Meeting Admission**

Only stockholders of record on the record date and certain other permitted attendees may attend the Annual Meeting. No cameras, recording equipment, electronic devices, large bags or packages will be permitted in the Annual Meeting. The use of cell phones, BlackBerries and other communication devices during the Annual Meeting is also prohibited. If you plan to attend the Annual Meeting in person, we ask that you also complete and return the reservation form attached to the end of the proxy statement.

### **How Our Board Solicits Proxies; Expenses of Solicitation**

We will pay all costs of soliciting proxies. We have retained our affiliate, BNY Mellon Shareowner Services, to assist with the solicitation of proxies for a fee of approximately \$25,000, plus reimbursement of reasonable out-of-pocket expenses. In addition, we may use our officers and employees, at no additional compensation, to solicit proxies either personally or by telephone, Internet, letter or facsimile.

### **Householding**

To reduce the expense of delivering duplicate proxy materials to our stockholders, we are relying on rules of the Securities and Exchange Commission, which we refer to as the SEC, that permit us to deliver only one proxy statement to multiple stockholders who share an address unless we receive contrary instructions from any stockholder at that address. This practice, known as householding, reduces duplicate mailings, saves printing and postage costs as well as natural resources and will not affect dividend check mailings. If you wish to receive a separate copy of the annual report or proxy statement, or if you wish to receive separate copies of future annual reports or proxy statements, please call our transfer agent, BNY Mellon Shareowner Services, at 1-800-729-9606 (U.S.) or 1-201-680-6651 (International). We will deliver the requested documents promptly upon your request.

If you and other stockholders of record with whom you share an address currently receive multiple copies of annual reports or proxy statements, or if you hold our stock in more than one account and, in either case, you wish to receive only a single copy of the annual report or proxy statement, please contact our transfer agent, BNY Mellon Shareowner Services, with the names in which all accounts are registered and the name of the account for which you wish to receive mailings.

**Table of Contents**

**ELECTION OF DIRECTORS**

**(Proposal 1 on your proxy card)**

**Nominees for Election as Directors**

You are being asked to elect 15 directors from the nominees named in this proxy statement to serve on the Board of Directors until the 2011 Annual Meeting of stockholders and until their successors have been elected and qualified. Each nominee currently serves on our Board of Directors, of whom 13 are non-management directors and two serve as executive officers of our company. Proxies cannot be voted for a greater number of persons than the number of nominees named in this proxy statement.

The Corporate Governance and Nominating Committee, which we refer to as the CG&N Committee, is currently engaged in a search for a replacement director to fill a current vacancy on the Board of Directors and, as a result, this seat is not up for election at this time.

We do not know of any reason why any nominee named in this proxy statement would be unable to serve as a director if elected. If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such other person as may be nominated in accordance with Article 5 of our by-laws, as described below.

**The Board unanimously recommends you vote FOR each of the nominees described below.**

**Nomination Procedures**

Our CG&N Committee assists the Board in reviewing and identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and recommends to the Board nominees for directors for the next Annual Meeting of stockholders and to fill vacancies on the Board. Directors chosen to fill vacancies will hold office for a term expiring at the end of the next Annual Meeting of stockholders.

Subject to Article 5 of our by-laws, in carrying out its responsibilities of finding the best qualified candidates for directors, the CG&N Committee will consider proposals from a number of sources, including recommendations for nominees from stockholders submitted in accordance with the requirements for stockholder nominations as set forth in Article 2 of our by-laws, which are more fully described below. It is anticipated that the CG&N Committee would evaluate a candidate recommended by a stockholder for nomination as a director in the same manner that it evaluates any other nominee.

***Nomination Procedures in Effect Until July 1, 2010***

Article 5 of our by-laws provides the exclusive procedures for the nomination and composition of our Board of Directors for the three-year period, which we refer to as the specified period, after the merger of The Bank of New York Company, Inc., which we refer to as Bank of New York, and Mellon Financial Corporation, which we refer to as Mellon, into our company on July 1, 2007. Under Article 5 of our by-laws, the following requirements apply during the specified period (which runs through July 1, 2010):

There will be 16 director seats;

nine of these seats will be filled by persons who were nominated to be directors by the Board of Directors of Bank of New York prior to the merger and their successors nominated as described below, whom we refer to as continuing Bank of New York directors ; and

seven of these seats will be filled by persons who were nominated to be directors by the Board of Directors of Mellon prior to the merger and their successors nominated as described below, whom we refer to as continuing Mellon directors .

**Table of Contents**

Our Board will have a Continuing Bank of New York Directors Committee, consisting of all of our continuing Bank of New York directors, which will have exclusive authority to:

nominate, on behalf of the Board, directors to fill each seat previously held by a continuing Bank of New York director; and

choose nominees to fill any vacancies on the Board created by the cessation of service of a continuing Bank of New York director.

Our Board will have a Continuing Mellon Directors Committee, consisting of all of our continuing Mellon directors, which will have exclusive authority to:

nominate, on behalf of the Board, directors to fill each seat previously held by a continuing Mellon director; and

choose nominees to fill any vacancies on the Board created by the cessation of service of a continuing Mellon director.

Our certificate of incorporation and by-laws provide that, during the specified period, Article 5 of our by-laws may only be modified, amended or repealed and any inconsistent provision may only be adopted or such modification, amendment, repeal or inconsistent provision may only be recommended for adoption by our stockholders by the affirmative vote of at least 75% of our entire Board.

Our CG&N Committee recommended to the Continuing Bank of New York Directors Committee and the Continuing Mellon Directors Committee, as appropriate, the nomination of each nominee named below. After considering the recommendation of the CG&N Committee and the requirements set forth in Article 5 of our by-laws, each nominee who is a continuing Bank of New York director was nominated by the Continuing Bank of New York Directors Committee and each nominee who is a continuing Mellon director was nominated by the Continuing Mellon Directors Committee.

***Nomination Procedures in Effect After July 1, 2010***

Under Article 2 of our by-laws, after the specified period, nominations for the election of directors may be made by the Board, a committee thereof or any officer of the company to whom the Board or such committee has delegated such authority. Upon proper notice given to the company, nominations may also be made by any stockholder entitled to vote in the election of directors. Written notice of a stockholder's intent to make a nomination or nominations for director must be given to the company either by United States mail or personal delivery to the Secretary of the company (i) in the case of an Annual Meeting, not less than 90 calendar days or more than 120 calendar days before the anniversary date of the company's proxy statement released to stockholders in connection with the previous year's Annual Meeting; and (ii) in the case of a special meeting at which directors are to be elected, not later than the close of business on the tenth calendar day following the earlier of the day on which notice of the date of the meeting was mailed and the day on which public announcement of the date of the meeting was made. If the date of the Annual Meeting at which directors are to be elected has been changed by more than 30 calendar days from the date of the most recent previous Annual Meeting, a stockholder's notice of intent to make a nomination or nominations for director must be received by the company (A) on or before the later of (x) 120 calendar days before the date of the Annual Meeting at which such business is to be presented or (y) 30 calendar days following the first public announcement by the company of the date of such Annual Meeting and (B) not later than 15 calendar days prior to the scheduled mailing date of the company's proxy materials for such Annual Meeting.

The notice must include: (1) the name and address of the stockholder who intends to make the nomination and a representation that the stockholder is and will at the time of the Annual Meeting be a holder of record of

## **Table of Contents**

our common stock entitled to vote at such Annual Meeting and that the stockholder intends to appear in person or by proxy at the Annual Meeting to make the nomination or nominations set forth in the notice, (2) the name and address of the person or persons to be nominated for election as director and such other information regarding the proposed nominee or nominees as would be required to be included in a proxy statement filed pursuant to the rules and regulations of the SEC, (3) a description of all arrangements or undertakings between the stockholder and each proposed nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder and (4) a consent signed by each of the proposed nominees agreeing to serve as a director if so elected. The Board will be under no obligation to recommend a proposed nominee, even though the notice as set forth above has been given.

## **Director Qualifications**

Our Corporate Governance Guidelines require our directors to possess the experience and skills necessary to oversee the management of our company in the interest of our company and its stockholders. Under our Corporate Governance Guidelines, our CG&N Committee will consider for nomination as a director (whether nominated by the CG&N Committee or by one or more of our stockholders) persons who:

have the highest level of integrity;

are capable of evaluating business issues and making practical and mature judgments;

are willing and able to devote the necessary time and effort required for service on the Board;

have the skills and personality to work with other directors on a Board that is effective, collegial and responsive to the needs of the company;

have the necessary self-confidence and articulateness to participate effectively in Board discussions; and

have diverse experience at senior-level policy-making positions in business, government, education, technology or not-for-profit enterprises.

Our CG&N Committee's charter further provides that the criteria for selecting nominees for election as directors of our company include, but are not limited to, the following:

experience;

accomplishments;

education;

skills;

personal and professional integrity;



diversity of the Board (in all aspects of that term); and

the candidate's ability to devote the necessary time for service as a director (including directorships held at other corporations and organizations).

When considering a person to be recommended for re-nomination as a director, the CG&N Committee will consider, among other factors, the attendance, preparedness, participation and candor of the individual as well as the individual's satisfaction of the criteria for the nomination of directors set forth in our Corporate Governance Guidelines.

## **Table of Contents**

We believe our current Board members meet these criteria with a diversity and depth of experience that enable them to effectively oversee management of our company. The description of each nominee set forth below includes biographical information, on a director by director basis, which highlights the specific experience, background and education of each nominee that led the Board to conclude that each director should serve on the Board. The CG&N Committee and the Board took this information into account in concluding that each nominee qualified to serve as one of our directors. We refer to this qualification as professional background and experience. The CG&N Committee and the Board also concluded that each nominee for director has the type of senior-level, policy-making experience in business, government, education, technology and/or not-for profit enterprises that qualifies each nominee for service on our Board. The CG&N Committee and the Board also believe that the effectiveness, business acumen and leadership skills of each nominee is demonstrated by the senior-level positions that each such nominee holds and/or has held during their professional careers. We refer to this qualification as senior-level policy-making positions. With respect to those nominees noted below who are or have been directors of other public companies, the CG&N Committee and the Board believe this experience enhances their qualification to serve on our Board. We refer to this qualification as other public company board experience.

In addition to the qualifications evidenced by the biographical information set forth below, the CG&N Committee and the Board also determined that each of the nominees possess certain intangible attributes and skills, which also led to the conclusion that each nominee meets the criteria set forth in our Corporate Governance Guidelines and is qualified to serve as one of our directors. These intangible attributes and skills include, as to each nominee, integrity; the capacity to evaluate business issues and make practical and mature judgments; willingness to devote the necessary time and effort required to serve on our Board; the skills and personality to work effectively and collegially with other directors on a Board that is responsive to our company's needs; and the self-confidence and articulateness to participate effectively in Board discussions. We refer to this qualification as intangible attributes.

The CG&N Committee and the Board also took into account the years of service for each director on our Board and on the legacy Bank of New York and Mellon boards of directors noted below, as well as each non-management director's service on standing committees of our Board and the legacy Bank of New York and Mellon boards of directors, in concluding that each nominee is qualified to continue to serve on our Board. The CG&N Committee and the Board believe that this prior service, including service on standing committees, is an invaluable resource in allowing each nominee to act as an effective director of our company. We refer to this qualification as prior BNY Mellon Board experience. The CG&N Committee and the Board also took into account the attendance record of each nominee at Board and committee meetings, as well as each nominee's preparedness for and participation at Board and committee meetings, in concluding that each nominee is qualified to be a member of our Board. We refer to this qualification as Board attendance and participation.

### ***Diversity of the Board***

In considering diversity of the Board (in all aspects of that term) as a criteria for selecting nominees in accordance with its charter, the CG&N Committee takes into account various factors and perspectives, including differences of viewpoint, professional experience, education, skills and other individual qualities and attributes that contribute to Board heterogeneity, as well as race, gender and national origin. The CG&N Committee seeks persons with leadership experience in a variety of contexts and, among public company leaders, across a variety of industries. The CG&N Committee believes that this expansive conceptualization of diversity is the most effective means to implement Board diversity. The CG&N Committee will assess the effectiveness of this approach as part of its annual review of its charter and our Corporate Governance Guidelines.

**Table of Contents**

**Information About the Nominees**

Each of the following nominees for election as director was elected as a director at our 2009 Annual Meeting. Information relating to each nominee for election as director, including his or her period of service as a director of Bank of New York or Mellon prior to the merger, principal occupation, specific experience, other biographical material and qualifications is described below:

*Ruth E. Bruch*

Retired Senior Vice President and Chief Information Officer of Kellogg Company

Director since 2007

Continuing Mellon Director

Age 56

Ms. Bruch served as a director of Mellon Financial Corporation from 2003 to 2007 where she served on the Compensation, the Technology and the Community Responsibility Committees. Ms. Bruch served as Senior Vice President and Chief Information Officer of Kellogg Company, a food manufacturer focusing on cereal and convenience foods, from 2006 until her retirement in 2009. Prior to that, from 2002 to 2006, Ms. Bruch served as Senior Vice President and Chief Information Officer of Lucent Technologies Inc., which focuses on communications networking solutions.

Ms. Bruch's experience also includes senior-level management positions at Visteon Corporation, ZoneTrader.com, Union Carbide Corporation, Continental Bank Corporation, First Bank System, Inc. and Davenport (IA) Bank & Trust Co. Ms. Bruch has also served as a member of the board of directors of BlueStar Solutions, an IT outsourcing services provider, and Manchester Bidwell Corporation, a non-profit organization that provides instruction and mentoring in career education and the arts for youth and adults in the Pittsburgh, Pennsylvania region. Ms. Bruch holds a Bachelor of Business Administration degree from the University of Iowa.

In addition to the professional background and experience, senior-level policy-making positions, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Ms. Bruch should serve as a director: her service as chief information officer of several publicly-traded companies and other organizations for over 10 years, and her other extensive senior-level management positions, including service at three banks, which provide the Board with a perspective and resource on information technology and other technology-related matters, as well as banking experience.

*Nicholas M. Donofrio*

Chief Executive Officer of NMD Consulting, LLC

Retired Executive Vice President, Innovation and Technology of IBM Corporation

Director since 2007

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Continuing Bank of New York Director

Age 64

Mr. Donofrio served as a director of The Bank of New York Company, Inc. from 1999 to 2007 where he served on the Audit, the Risk and the Technology Committees, among others. Mr. Donofrio served as Executive Vice President, Innovation and Technology of IBM Corporation, a developer, manufacturer and provider of advanced information technologies and services, from 2005 until his retirement in 2008. Mr. Donofrio previously

**Table of Contents**

served as Senior Vice President, Technology and Manufacturing of IBM Corporation from 1997 to 2005 and spent a total of 44 years as an employee of IBM Corporation. Mr. Donofrio is currently a director of Advanced Micro Devices, Inc., where he currently serves on the Nominating and Corporate Governance Committee and the Compensation Committee, and a director of Liberty Mutual Group.

Mr. Donofrio holds seven technology patents and is a member of numerous technical and science honor societies. Mr. Donofrio is co-chair of the New York Hall of Science, is a director of TopCoder, Inc., and is on the board of advisors of StarVest Partners. Mr. Donofrio earned a Bachelor of Science degree from Rensselaer Polytechnic Institute in 1967 and a Master of Science degree from Syracuse University in 1971.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes, and/or skills led the Board to conclude that Mr. Donofrio should serve as a director: his extensive background and experience in engineering, technology and innovation, including his 43 years of service at IBM, as well as his widely-recognized status in the field of engineering and his teaching and training in the area of innovation, which provide the Board with a perspective and resource on technology and innovation.

*Gerald L. Hassell*

President, The Bank of New York Mellon Corporation

Director since 2007

Continuing Bank of New York Director

Age 58

Mr. Hassell served as a director of The Bank of New York Company, Inc. from 1998 to 2007. Mr. Hassell has served as our President since the merger in 2007. Prior to the merger, Mr. Hassell served as President of The Bank of New York Company, Inc. from 1998 to 2007 as well as other prior leadership positions at Bank of New York. Mr. Hassell is currently a director of Comcast Corporation where he currently serves on the Governance and Directors Nominating Committee and is chair of the Finance Committee.

Since joining The Bank of New York's Management Development Program more than three decades ago, Mr. Hassell has held a number of key leadership positions within the company in securities servicing, corporate banking, credit, strategic planning and administration services. Mr. Hassell is also a director of the National September 11 Memorial & Museum and the New York Philharmonic, and is vice chair of Big Brothers/Big Sisters of New York. Mr. Hassell holds a Bachelor of Arts degree from Duke University and a Master in Business Administration degree from the New York University Stern School of Business.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to

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conclude that Mr. Hassell should serve as a director: his knowledge of our company's businesses and operations, as well as the financial services industry in general, based on his 36 year tenure with our company and Bank of New York, including service as President since 1998, and his participation in numerous financial services industry associations, which provide the Board with a perspective and resource on our company and the financial services industry in general.

**Table of Contents**

*Edmund F. Ted Kelly*

Chairman, President and Chief Executive Officer of Liberty Mutual Group

Director since 2007

Continuing Mellon Director

Age 64

Mr. Kelly served as a director of Mellon Financial Corporation from 2004 to 2007 where he served on the Corporate Governance and Nominating, the Human Resources and the Risk Committees. Mr. Kelly has served as Chairman (since 2000), President and Chief Executive Officer (since 1998) of Liberty Mutual Group, a multi-line insurance company. Mr. Kelly is currently a director of Liberty Mutual Group and EMC Corporation where he currently serves on the Finance Committee.

Mr. Kelly's experience also includes senior-level management positions at Aetna Life & Casualty Company. Mr. Kelly was a director of Citizens Financial Group Inc. where he served as Chair of the Audit Committee and Chair of the Joint Risk Assessment Committee. Mr. Kelly is also a member of the Board of Governors of the Property Casualty Insurers Association of America and a director of the Financial Services Roundtable; a member of the boards of the United Way of Massachusetts Bay, the American Red Cross of Massachusetts Bay, the American Ireland Fund and The Massachusetts Mentoring Partnership, among others; a past member of the Board of Trustees for Boston College and former President of the Boston Minuteman Council of the Boy Scouts of America. Mr. Kelly received a Bachelor's degree from Queen's University in Belfast and a Ph.D. from the Massachusetts Institute of Technology.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Kelly should serve as a director: his role for over 10 years as Chairman, Chief Executive Officer and President of a multi-national insurance company that is a Fortune 500 company, as well as his over 35 years of experience in the insurance industry, which is highly regulated and concentrates on risk management, which provide the Board with a critical perspective on the Board's oversight of management of our company.

*Robert P. Kelly*

Chairman and Chief Executive Officer, The Bank of New York Mellon Corporation

Director since 2007

Continuing Mellon Director

Age 55

Mr. Kelly served as a director of Mellon Financial Corporation from 2006 to 2007. Mr. Kelly has served as our Chief Executive Officer since the merger in 2007 and our Chairman since 2008. Prior to the merger, Mr. Kelly served as

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Chairman, Chief Executive Officer and President of Mellon Financial Corporation from 2006 to 2007. Prior to that, Mr. Kelly served as Chief Financial Officer of Wachovia Corporation, a financial services company, and Wachovia's predecessor, First Union Corporation, from 2000 to 2006. Mr. Kelly also served at various positions at Toronto Dominion Bank from 1981 to 2000.



**Table of Contents**

Mr. Kelly has extensive background in retail brokerage, banking and securities trading. Mr. Kelly is chair of the Financial Services Forum, a member of the Partnership for New York City and the Federal Advisory Council of the Federal Reserve Board, and treasurer of the Financial Services Roundtable. He is a chartered accountant with a Master in Business Administration degree from Cass Business School, City University in London and a Bachelor's degree from St. Mary's University in Canada.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Kelly should serve as a director: his role for approximately four years as Chairman and Chief Executive Officer of our company and Mellon Financial Corporation, his experience for six years as the chief financial officer of two major financial services companies, his prior experience in the financial services industry, and his participation in and leadership of numerous financial services industry associations and advisory boards, which provide the Board with a perspective and resource on our company and the financial services industry in general.

*Richard J. Kogan*

Principal of The KOGAN Group LLC

Retired President and Chief Executive Officer of Schering-Plough Corporation

Director since 2007

Continuing Bank of New York Director

Age 68

Mr. Kogan served as a director of The Bank of New York Company, Inc. from 1996 to 2007 where he served on the Audit and the Nominating and Governance Committees, among others, and chaired the Compensation Committee. Mr. Kogan is currently a principal of The KOGAN Group LLC, which provides advice and counsel to chief executive officers of for-profit and not-for-profit enterprises. Mr. Kogan previously served as Chief Executive Officer of Schering-Plough Corporation, a global healthcare company, from 1996 to 2003, as President from 1986 to 1998 and as Chairman from 1998 to 2002. Mr. Kogan is currently a director of Colgate-Palmolive Company where he serves on the Audit and the Finance Committees, chairs the Personnel and Organization Committee, and is a past Presiding Director.

Mr. Kogan serves as Vice Chairman of the Board of Trustees of Saint Barnabas Medical Center and Corporation, and is a member of the Board of Trustees of New York University, a member of the Executive Committee of New York University's Stern School of Business and a member of the Council on Foreign Relations. Mr. Kogan earned a Bachelor's degree from The City College of The City University of New York and a Master in Business Administration degree from the New York University Stern School of Business.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation

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qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Kogan should serve as a director: his role as Chairman, Chief Executive Officer and President of a publicly-traded global pharmaceutical company, as well as his other senior management positions during his 30 year career in the pharmaceutical industry, which provide the Board with an executive and leadership perspective on the management and operations of a large public company in a highly regulated industry.

**Table of Contents**

*Michael J. Kowalski*

Chairman and Chief Executive Officer of Tiffany & Co.

Director since 2007

Continuing Bank of New York Director

Age 57

Mr. Kowalski served as a director of The Bank of New York Company, Inc. from 2003 to 2007 where he served on the Audit, the Risk and the Corporate Responsibility and Community Redevelopment Committees, among others. Mr. Kowalski has served as Chairman and Chief Executive Officer of Tiffany & Co., an international designer, manufacturer and distributor of jewelry and fine goods, since 2003 and 1999, respectively. Mr. Kowalski has served in key leadership positions at Tiffany & Co. since 1983. Mr. Kowalski is currently a director of Tiffany & Co. and was a director of Fairmont Hotels & Resorts from 2002 to 2006.

Mr. Kowalski serves on the Board of Jewelers of America and chairs the Board of Overseers of the University Museum of Archaeology and Anthropology at the University of Pennsylvania. Mr. Kowalski is a trustee of the University of Pennsylvania. Mr. Kowalski earned a Bachelor's degree from the University of Pennsylvania and a Master in Business Administration degree from Harvard University.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Kowalski should serve as a director: his role as Chairman and Chief Executive Officer of a publicly-traded international manufacturer and retailer of jewelry and other specialty items, as well as his other senior operating and financial management positions during his 27 year career in the jewelry industry, which provide the Board with an executive and leadership perspective on the management, operations and financial oversight of a large public company.

*John A. Luke, Jr.*

Chairman and Chief Executive Officer of MeadWestvaco Corporation

Director since 2007

Continuing Bank of New York Director

Age 61

Mr. Luke served as a director of The Bank of New York Company, Inc. from 1996 to 2007 where he served on the Audit, the Compensation and Organization and the Nominating Committees, among others. Mr. Luke has served as Chairman and Chief Executive Officer of MeadWestvaco Corporation, a manufacturer of paper, packaging and specialty chemicals, since 2002. Mr. Luke is currently a director of MeadWestvaco Corporation and The Timken

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Company where he serves on the Nominating and Corporate Governance Committee and chairs the Compensation Committee.

Mr. Luke is also a director and former chairman of the American Forest & Paper Association. He is currently a director of FM Global and is currently chair of the Compensation Committee and is also on the Executive Committee at FM Global. Mr. Luke is ex-officio director and former chairman of the Sustainable Forestry Initiative, Inc., a former member of the President's Export Council, and a trustee of the American Enterprise

**Table of Contents**

Institute for Public Policy Research as well as the Virginia Museum of Fine Arts, among others. Mr. Luke served as an officer with the U.S. Air Force in Southeast Asia during the Vietnam conflict. Mr. Luke earned a Bachelor's degree from Lawrence University and a Master in Business Administration degree from The Wharton School at the University of Pennsylvania.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Luke should serve as a director: his role as Chairman, Chief Executive Officer and President of a publicly-traded global manufacturer of packaging solutions and other products, as well as his other senior management positions during his 31 years at MeadWestvaco Corporation and its predecessors, which provide the Board with an executive and leadership perspective on the management and operations of a large public company.

*Robert Mehrabian*

Chairman, President and Chief Executive Officer of Teledyne Technologies Inc.

Director since 2007

Continuing Mellon Director

Age 68

Dr. Mehrabian served as a director of Mellon Financial Corporation from 1994 to 2007 where he served on the Audit, the Technology and the Compensation Committees, among others. Dr. Mehrabian has served as Chairman (since 2000) and President and Chief Executive Officer (since 1999) of Teledyne Technologies Inc., an advanced industrial technologies company, and served in senior-level management positions at Allegheny Teledyne, a predecessor of Teledyne Technologies Inc. Dr. Mehrabian is currently a director of Teledyne Technologies Inc. and PPG Industries, Inc. where he currently chairs the Technology and Environment Committee and serves on the Officers-Directors Compensation Committee.

Throughout his career, Dr. Mehrabian has served as senior advisor in manufacturing and high technology to many Fortune 500 companies. Dr. Mehrabian also served as director of the Center for Materials Science of the Department of Commerce's National Institute of Standards and Technology, where he initiated numerous government/industry programs that became models for such cooperative efforts. Dr. Mehrabian was also President of Carnegie Mellon University from 1990 to 1997 and Dean of Engineering at University of California, Santa Barbara, from 1983 to 1990. He holds Bachelor and Doctor of Science degrees from the Massachusetts Institute of Technology.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Dr. Mehrabian should serve as a director: his role, for over 10 years, as Chairman, Chief Executive Officer and President of a publicly-traded international advanced industrial technologies company, as well as his role as President of a major research university for seven years, which provide the Board with an executive and leadership perspective on the management and operations of a large public company and a major research institution, as well as an additional resource concerning technology-related matters.



**Table of Contents**

*Mark A. Nordenberg*

Chancellor and Chief Executive Officer of the University of Pittsburgh

Director since 2007

Continuing Mellon Director

Age 61

Mr. Nordenberg served as a director of Mellon Financial Corporation from 1998 to 2007 where he served on the Corporate Governance and Nominating, the Human Resources and the Risk Committees, among others.

Mr. Nordenberg has served as Chancellor and Chief Executive Officer of the University of Pittsburgh, a major public research university, since 1996.

Mr. Nordenberg joined the University of Pittsburgh's law faculty in 1977 and served as dean of the School of Law from 1985 until 1993. Mr. Nordenberg was the interim Provost and Senior Vice Chancellor for Academic Affairs from 1993 to 1994, and interim Chancellor from 1995 to 1996. A specialist in scholarly aspects of civil litigation, he has published books, articles and reports on this topic, and has served as a member of both the United States Supreme Court's Advisory Committee on Civil Rules and the Pennsylvania Supreme Court's Civil Procedural Rules Committee. He is a director of the Association of American Universities and a board member of the Council on Competitiveness, a nonprofit organization that encourages innovation and economic progress, among others. Mr. Nordenberg received his Bachelor's degree from Thiel College and his Juris Doctorate degree from the University of Wisconsin School of Law.

In addition to the professional background and experience, senior-level policy-making positions, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Nordenberg should serve as a director: his role for the past 14 years as Chancellor of a major research university and his other senior positions at the university, including dean of its law school, over his 25 year career at the institution, as well as his legal expertise, which provide the Board with an executive, leadership and legal perspective on the management and operations of a large institution.

*Catherine A. Rein*

Retired Senior Executive Vice President and Chief Administrative Officer of MetLife, Inc.

Director since 2007

Continuing Bank of New York Director

Age 67

Ms. Rein served as a director of The Bank of New York Company, Inc. from 1981 to 2007 where she served on the Audit, the Executive and the Risk Committees, among others. Ms. Rein served as Senior Executive Vice President and Chief Administrative Officer of MetLife, Inc., an insurance and financial services company, from 2005 to 2008. Prior

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to that, Ms. Rein served as President and Chief Executive Officer of Metropolitan Property and Casualty Insurance Company from 1999 to 2005. Ms. Rein served in key leadership positions at MetLife, Inc. from 1985 to 1998. Ms. Rein is currently a director of FirstEnergy Corp where she serves on the Audit Committee and chairs the Compensation Committee.

Before joining MetLife, Ms. Rein served as vice president and general counsel for The Continental Group, Inc., a property management company. Prior to that, she was associated



**Table of Contents**

with the New York City law firm of Dewey, Ballantine, Bushby, Palmer & Wood. Ms. Rein is a trustee of the New York University Law Center Foundation, previously chaired the MetLife Foundation and is a director emeritus of Corning, Inc. Ms. Rein received a Bachelor of Arts degree from The Pennsylvania State University and a Juris Doctorate degree from New York University School of Law.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Ms. Rein should serve as a director: her role in various senior management positions during her 25 year career at a multi-national insurance company that is a Fortune 500 company, as well as her experience as general counsel of another company, which provide the Board with an executive, leadership and legal perspective on the management and operations of a company in a highly-regulated industry.

*William C. Richardson*

President and Chief Executive Officer Emeritus of The W.K. Kellogg Foundation and Chair and Co-Trustee Emeritus of The Kellogg Foundation Trust

Director since 2007

Continuing Bank of New York Director

Age 69

Dr. Richardson served as a director of The Bank of New York Company, Inc. from 1998 to 2007 where he served on the Audit, the Nominating and Governance and the Risk Committees, among others. Dr. Richardson had previously served as President and Chief Executive Officer of The W.K. Kellogg Foundation, a private foundation, as well as Chair and Co-Trustee of The Kellogg Foundation Trust from 1996 to 2006. Dr. Richardson is currently a director of Exelon Corporation where he serves on the Audit, the Compensation, the Risk Oversight and the Corporate Governance Committees. Dr. Richardson served as a director of Kellogg Company from 1996 to 2007 where he served on the Finance, Marketing, and Social Responsibility Committees, among others. He also served as a director of CSX Corporation from 1992 to 2008 where he served on the Audit, the Compensation and the Governance Committees, and as lead director.

Dr. Richardson has devoted his academic career to research related to the organization and financing of health services in the U.S. He served as President of the Johns Hopkins University. He was also Graduate Dean and Vice Provost for Research at the University of Washington in Seattle; Executive Vice President and Provost of The Pennsylvania State University; and held various positions at the University of Chicago. Dr. Richardson has chaired numerous boards and commissions at the federal and state levels and in the philanthropic sector. He has served as a director of Mercantile Bankshares, among others. He served as Professor of Health Policy and Management at the Johns Hopkins University. Dr. Richardson received a Bachelor of Arts degree from Trinity College and a Master in Business Administration degree and a Ph.D. from the University of Chicago.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Dr. Richardson should serve as a director: his role as president of a major research university and his

other senior positions at other major research institutions as well as his

**Table of Contents**

position as chair for ten years of a major foundation, which provide the Board with an executive and leadership perspective on the management and operations of both large institutions and a foundation.

*Samuel C. Scott III*

Retired Chairman, President and Chief Executive Officer of Corn Products International, Inc.

Director since 2007

Continuing Bank of New York Director

Age 66

Mr. Scott served as a director of The Bank of New York Company, Inc. from 2003 to 2007 where he served on the Audit, the CRA Fair Lending and the Risk Committees, among others. Prior to his retirement in 2009, Mr. Scott served as Chairman (since 2001), Chief Executive Officer (since 2001) President (since 1997) and management director of Corn Products International, Inc., global producers of corn-refined products and ingredients. Mr. Scott previously served as President of Bestfoods Corn Refining from 1995 to 1997 and President of American Corn Refining from 1989 to 1997. Mr. Scott is currently a director of Motorola, Inc., where he serves on the Compensation and Leadership and the Executive Committees, and a director of Abbott Laboratories, where he serves on the Audit Committee.

Mr. Scott also serves on the boards of, among others, Chicago Sister Cities, Northwestern Memorial HealthCare, the Chicago Urban League and The Chicago Council on Global Affairs. Mr. Scott received both a Bachelor's degree and a Master in Business Administration degree from Farleigh Dickinson University.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Scott should serve as a director: his role as Chairman, Chief Executive Officer and President over the course of twelve years of a publicly-traded international food company, as well as executive positions at other food product companies during his 36 year career, which provide the Board with an executive and leadership perspective on the management and operations of a large public company.

*John P. Surma*

Chairman and Chief Executive Officer of United States Steel Corporation

Director since 2007

Continuing Mellon Director

Age 55

Mr. Surma served as a director of Mellon Financial Corporation from 2004 to 2007 where he served on the Audit, the Corporate Governance and Nominating and the Human Resources Committees, among others. Mr. Surma has served

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as Chairman (since 2006) and Chief Executive Officer (since 2004) of United States Steel Corporation, a steel manufacturing company. Previously, Mr. Surma held several other executive officer positions with United States Steel Corporation, including President and Chief Operating Officer from 2003 to 2004 and Vice Chairman and Chief Financial Officer from 2002 to 2003. Mr. Surma is currently a director of United States Steel Corporation.

**Table of Contents**

Mr. Surma served as a director of Calgon Carbon Corporation from 2000 to 2008 where he was chair of the Compensation Committee from 2005 to 2008 and served on the Executive Committee. Mr. Surma's experience also includes positions as Senior Vice President, Finance & Accounting, at Marathon Oil Company, President at Speedway SuperAmerica LLC, President at Marathon Ashland Petroleum LLC and Partner at PriceWaterhouse LLP. He is chair of the Allegheny Conference on Community Development and the Allegheny County Parks Foundation, as well as a trustee of Pennsylvania State University, among others. Mr. Surma graduated from Pennsylvania State University with a Bachelor of Science degree. He is a member of the American Institute of Certified Public Accountants.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. Surma should serve as a director: his role as Chairman, Chief Executive Officer and President and experience as the chief financial officer for a Fortune 500 publicly-traded international steel manufacturer, as well as his experience and executive position at a major U.S. accounting firm, which provide the Board with an executive and leadership perspective on the management, operations and financial reporting and accounting oversight of a large public company.

*Wesley W. von Schack*

Retired Chairman, President and Chief Executive Officer of Energy East Corporation

Director since 2007

Continuing Mellon Director

Age 65

Mr. von Schack served as a director of Mellon Financial Corporation from 1989 to 2007 where he served on the Audit and Corporate Governance and Nominating Committees, among others. Prior to his retirement in January, 2010, Mr. von Schack served as Chairman, President and Chief Executive Officer of Energy East Corporation, an energy services company, since 1996. Energy East Corporation has been a wholly-owned subsidiary of Iberdrola S.A. since its acquisition in 2008. Mr. von Schack is currently chairman of the board of AEGIS Insurance Services, a director of Teledyne Technologies Inc. where he serves on the Nominating and Governance and the Personnel and Compensation Committees, and a director of Edwards Lifesciences Corporation where he serves on the Audit and Public Policy Committee. Mr. von Schack was a management director of Energy East until his retirement in January, 2010.

From 1986 to 1996, Mr. von Schack was Chairman, President and Chief Executive Officer of DQE, a diversified energy services company. Mr. von Schack is a member of the board of The American Gas Association Foundation, Director Emeritus of the Gettysburg Foundation, and a member of the President's Council Peconic Land Trust. Mr. von Schack received a Bachelor's degree from Fordham University, a Master in Business Administration degree from St. John's University and a Ph.D. from Pace University.

In addition to the professional background and experience, senior-level policy-making positions, other public company board experience, intangible attributes, prior BNY Mellon Board experience, and Board attendance and participation

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qualifications described above, the following experience, qualifications, attributes and/or skills led the Board to conclude that Mr. von Schack should serve as a director: his role as Chairman, Chief Executive

## **Table of Contents**

Officer and President over the course of 23 years of a large publicly traded energy services company as well as his other senior management positions, including chief financial officer, during his 35 year career in the energy industry, which provide the Board with an executive and leadership perspective on the management, operations and financial reporting and accounting oversight of a large public company in a highly-regulated industry.

### **Standard for Election of Directors**

On February 9, 2010, the Board approved an amendment to our by-laws, which will become effective on July 2, 2010, which will change the standard for the election of directors in uncontested elections occurring after July 1, 2010. The new standard, which requires each director to receive a majority of the votes cast with respect to that director, demonstrates our commitment to sound corporate governance and provides for a greater level of responsiveness to shareholders.

### ***Plurality Standard for 2010 Annual Meeting***

Our by-laws currently provide that the affirmative vote of a plurality of the shares present and voting is required to elect a director, which means that the 15 nominees receiving the highest numbers of votes cast at the Annual Meeting by all holders of shares of our common stock will be elected as directors for a term expiring in 2011. Pursuant to our Corporate Governance Guidelines, in an uncontested election of directors, any incumbent director who fails to receive more for votes than withhold and against votes is required to tender his or her resignation to the Lead Director (or such other director designated by the Board if the director failing to receive the majority of votes cast is the Lead Director) promptly after the certification of the stockholder vote.

The CG&N Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it. In considering whether to accept or reject the tendered resignation, the CG&N Committee will consider whatever factors its members deem relevant, including the stated reasons for the withhold or against votes, the length of service and qualifications of the director whose resignation has been tendered, the director's contributions to the company, and the mix of skills and backgrounds of the Board. The Board will act on the CG&N Committee's recommendation no later than 90 days following the certification of the election in question. In considering the recommendation of the CG&N Committee, the Board will consider the factors considered by the CG&N Committee and such additional information and factors as it deems relevant.

Following the Board's decision, the company will publicly disclose the Board's decision in a Current Report on Form 8-K filed with the SEC. If the Board does not accept the director's resignation, it may elect to address the underlying stockholder concerns or to take such other actions it deems appropriate and in the best interests of the company and its stockholders. A director who tenders his or her resignation pursuant to this provision will not vote on the issue of whether his or her tendered resignation will be accepted or rejected. The provisions described in this paragraph and the two preceding paragraphs will be in effect for the election of directors at the 2010 Annual Meeting.

### ***Majority Standard for Uncontested Elections After July 1, 2010***

Under the amended by-laws, in any uncontested election of directors after July 1, 2010, each director will be elected by the vote of a majority of the votes affirmatively cast with respect to that director's election. The plurality standard will continue to apply in any contested election of directors, which is an election in which the number of nominees for director exceeds the number of directors to be elected. Pursuant to amendments to our Corporate Governance Guidelines, which have been approved by the Board and will become effective on July 2, 2010, if any incumbent director fails to receive a majority of the votes cast in any uncontested election after July 1, 2010, the director will be required to tender his or her resignation to the Lead Director (or such other director designated by the Board if the director failing to receive the majority of votes cast is the Lead Director) promptly after the certification of the stockholder vote.

**Table of Contents**

The CG&N Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it, or whether other actions should be taken. In considering whether to accept or reject the tendered resignation, the CG&N Committee will consider whatever factors its members deem relevant, including any stated reasons for the against votes, the length of service and qualifications of the director whose resignation has been tendered, the director's contributions to the company, and the mix of skills and backgrounds of the Board. The Board will act on the CG&N Committee's recommendation no later than 90 days following the certification of the election in question. In considering the recommendation of the CG&N Committee, the Board will consider the factors considered by the CG&N Committee and such additional information and factors as it deems relevant.

Following the Board's decision, the company will publicly disclose the Board's decision in a Current Report on Form 8-K filed with the SEC. If the Board does not accept the director's resignation, it may elect to address the underlying stockholder concerns or to take such other actions it deems appropriate and in the best interests of the company and its stockholders. A director who tenders his or her resignation pursuant to this provision will not vote on the issue of whether his or her tendered resignation will be accepted or rejected. If the Board accepts an incumbent director's resignation pursuant to this provision, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board may fill the resulting vacancy pursuant to the by-laws. If the Board does not accept an incumbent director's resignation pursuant to this provision, he or she will continue to serve on the Board until the election of his or her successor.



**Table of Contents****BOARD MEETINGS AND BOARD COMMITTEE INFORMATION****2009 Board Meetings**

The Board held 14 meetings in 2009. Each incumbent director attended at least 75% of the aggregate number of meetings of our Board and of the committees on which he or she served.

Our Corporate Governance Guidelines provide that our directors are expected to attend our Annual Meeting of stockholders. Each director attended our 2009 Annual Meeting of stockholders, which was held on April 14, 2009.

**Committees and Committee Charters**

Our Board has established several standing committees, including an Audit Committee, a Corporate Governance and Nominating Committee, a Corporate Social Responsibility Committee, a Human Resources and Compensation Committee, a Risk Committee and an Executive Committee. Each of the committees discussed below has the sole authority to retain and terminate the engagement of consultants and counsel to advise it as each committee deems necessary or helpful in carrying out its responsibilities, with any fees to be borne by the company. The charters of the Audit Committee, the CG&N Committee, the Corporate Social Responsibility Committee, the Human Resources and Compensation Committee and the Risk Committee are available on our website at [www.bnymellon.com/governance/committees](http://www.bnymellon.com/governance/committees). You may also request printed copies by sending a written request to our Corporate Secretary at the address set forth on the cover of this proxy statement.

The following table identifies the individual members of our Board serving on each of these standing committees:

Director	<i>Standing Committees of the Board</i>					
	Audit	Corporate Governance and Nominating	Corporate Social Responsibility	Human Resources and Compensation	Risk	Executive
Ruth E. Bruch			C	X	X	
Nicholas M. Donofrio					C	X
Gerald L. Hassell						X
Edmund F. Kelly				X	X	
Robert P. Kelly						X
Richard J. Kogan	X	X		X		
Michael J. Kowalski			X		X	
John A. Luke, Jr.		C			X	X
Robert Mehrabian	X	X		C		X
Mark A. Nordenberg			X		X	
Catherine A. Rein	C	X				X
William C. Richardson	X	X				
Samuel C. Scott III	X		X	X		X
John P. Surma	X	X				X
Wesley W. von Schack		X		X	X	C

X Member

C Chair

**Audit Committee**

The Audit Committee meets as often as it deems necessary to perform its responsibilities. In 2009, the committee held 13 meetings.



## **Table of Contents**

The Audit Committee has direct responsibility for the appointment, compensation, retention and oversight of the work of the independent registered public accountants engaged to prepare an audit report or to perform other audit, review or attest services for us. The independent registered public accountants report directly to the committee. Annually, the committee recommends that the Board request stockholder ratification of the appointment of the independent registered public accountants. The committee has direct responsibility to evaluate and, when appropriate, to remove the independent registered public accountants. The committee is responsible for the pre-approval of all audit and permitted non-audit services performed by our independent registered public accountants. The committee acts on behalf of the Board in monitoring and overseeing the performance of our internal audit function, and our chief auditor has direct access to the committee. The committee oversees the operation of a comprehensive system of internal controls covering the integrity of our financial statements and reports, compliance with laws, regulations and corporate policies, and the qualifications, performance and independence of our independent registered public accountants. The committee's function is one of oversight, recognizing that our management is responsible for preparing our financial statements, and our independent registered public accountants are responsible for auditing those statements. The committee reports periodically to the entire Board.

The Board of Directors has determined that the Audit Committee consists entirely of directors who meet the independence requirements of the NYSE listing standards and the rules and regulations under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and the rules and regulations of the Federal Deposit Insurance Corporation, which we refer to as the FDIC. The Board has also determined that all members of the Audit Committee are financially literate within the meaning of the NYSE listing standards as interpreted by the Board. The Board has determined, based upon education and experience as a principal accounting or financial officer or public accountant, or experience actively supervising a principal accounting or financial officer or public accountant, that Ms. Rein and Mr. Surma satisfy the definition of audit committee financial expert as set out in the rules and regulations under the Exchange Act, have banking and financial management expertise as set out in the FDIC's rules and regulations, and have accounting or related financial management expertise as such qualification under the NYSE rules is interpreted by the Board.

### **Corporate Governance and Nominating Committee**

The CG&N Committee meets as often as it deems necessary to perform its responsibilities. In 2009, the committee held five meetings.

Our CG&N Committee reviews non-employee director compensation and benefits on an annual basis and makes recommendations to the Board on appropriate compensation. The committee is responsible for approving compensation arrangements for non-employee members of the Boards of Directors of our significant subsidiaries. Such compensation must be consistent with market practice and designed to align our directors' interests with those of our long-term stockholders while not calling into question directors' objectivity. The committee oversees evaluations of the Board and committees of the Board and, unless performed by the Human Resources and Compensation Committee, our senior managers. As further described above, the committee assists the Board in reviewing and identifying individuals qualified to become Board members. The CG&N Committee has the responsibility to develop and recommend to the Board a set of corporate governance guidelines and propose changes to such guidelines from time to time as may be appropriate.

Our Board of Directors has determined that the committee consists entirely of directors who meet the independence requirements of the NYSE rules.

### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee meets as often as it deems necessary to perform its responsibilities. In 2009, the committee held four meetings.

## **Table of Contents**

The committee's purpose is to promote a culture that emphasizes and sets high standards for corporate citizenship and review corporate performance against those standards. The committee is responsible for providing primary oversight of the company's programs regarding community development and involvement, philanthropy, sound environmental sustainability practices, government affairs, supplier diversity and engagement in corporate social responsibility matters and social responsibility relative to employees. The committee also has responsibility for monitoring the company's compliance with the Community Reinvestment Act and Fair Lending rules and regulations.

Our Board of Directors has determined that the committee consists entirely of directors who meet the independence requirements of the NYSE rules.

### **Human Resources and Compensation Committee**

The Human Resources and Compensation Committee meets as often as it deems necessary to perform its responsibilities. In 2009, the committee held nine meetings.

The Human Resources and Compensation Committee oversees the compensation plans, policies and programs in which our executive officers participate and the other incentive, retirement, welfare and equity plans in which all of our employees participate. In addition, the committee administers and makes equity and/or cash awards under plans adopted for the benefit of our officers and other employees to the extent required or permitted by the terms of these plans, establishes any related performance goals and determines whether and the extent to which these goals have been attained.

The committee reviews and approves corporate goals and objectives relevant to the compensation of our Chief Executive Officer, evaluates the Chief Executive Officer's performance in light of those goals and objectives and determines and approves the Chief Executive Officer's compensation level on the basis of its evaluation. While the committee has overall responsibility for executive compensation matters, as specified in its charter, the committee reports its preliminary conclusions with respect to the performance evaluation and compensation decisions regarding our Chief Executive Officer to the other independent directors of our full Board in executive session and solicits their input prior to finalizing the committee's conclusions.

The committee reviews, evaluates and approves the total compensation of all other executive officers and makes recommendations concerning equity-based plans, which recommendations are subject to the approval of our entire Board. The committee advises and discusses with the other independent directors compensation decisions regarding our President and the process used by the committee.

The committee is generally responsible for overseeing our employee compensation and benefit policies and programs, our management development and succession programs, the development and oversight of a succession plan for the position of Chief Executive Officer and our diversity and inclusion programs. The committee administers and makes awards under our various equity-based employee incentive plans and oversees certain retirement plans that we sponsor to ensure: (i) that they provide an appropriate level of benefits in a cost-effective manner to meet our needs and objectives in sponsoring such plans; (ii) that they are properly and efficiently administered in accordance with their terms to avoid unnecessary costs and minimize any potential liabilities to us; (iii) that our responsibilities as plan sponsor are satisfied; and (iv) that financial and other information with respect to such plans is properly recorded and reported in accordance with applicable legal requirements.

The committee has approved the delegation to our Chief Executive Officer of responsibility for determining equity awards to certain employees who are eligible to receive grants under our Long-Term Incentive Plan. The delegated authority approved by the committee to our Chief Executive Officer is subject to certain limitations, including: (i) on total aggregate shares subject to plan awards pursuant to the delegated authority in any calendar year (1,100,000); (ii) aggregate shares represented by plan awards that may be granted to any one individual pursuant to the delegated authority (100,000) in any calendar year; and (iii) a sub-limit of shares represented by full value awards that may be granted in any calendar year (550,000).

## **Table of Contents**

Finally, as further described in the Compensation Discussion and Analysis, our management provides information, analysis and recommendations for the committee's decision-making process in connection with the amount and form of executive compensation, except that no member of management will participate in the decision-making process with respect to his own compensation. The Compensation Discussion and Analysis discusses the role of our Chief Executive Officer in determining or recommending the amount and form of executive compensation. In addition, we address the role of our management and its independent outside compensation consultants and the role of the committee's independent outside compensation advisors in determining and recommending executive compensation below.

No member of the committee is or has been an officer or employee of our company. Our Board of Directors has determined that the committee consists entirely of directors who meet the independence requirements of the NYSE rules.

### ***Compensation Committee Interlocks and Insider Participation***

None of the members of our Human Resources and Compensation Committee is or was formerly an officer or employee of our company or any of its subsidiaries, nor did any members have a relationship with us that is disclosable as a Related Party Transaction as defined by the SEC. In addition, none of our executive officers served on any compensation committee or any board of directors of another company, of which any of our Board members was also an executive officer.

### **Risk Committee**

The Risk Committee meets as often as it deems necessary to perform its responsibilities. In 2009, the committee held six meetings.

As further discussed under The Role of the Board in Risk Oversight below, the committee is responsible for reviewing significant financial and other risk exposures and the steps management has taken to monitor, control and report such exposures, including, without limitation, credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, technology, data-security and business-continuity risks. The committee evaluates risk exposure and tolerance and approves appropriate transactional or trading limits. The committee reviews and evaluates the company's policies and practices with respect to risk assessment and risk management and annually presents to the Audit Committee a report summarizing the committee's review of the company's methods for identifying and managing risks. The committee reviews reports of the Risk department, Internal Audit and regulatory agencies relating to risk issues and management's responses to such reports, unless such review is under the jurisdiction of another committee. The committee reviews reports on fiduciary assets of our businesses, provides general oversight of the company's investment of fiduciary assets and adopts the company's fiduciary policy statement. The committee evaluates the scope of work of the Risk department and its planned risk management activities and reviews the appointment, performance and replacement of the company's Chief Risk Officer. The committee is responsible for assessing the company's technology risk management program and receives reports from management regarding the company's technology operations.

Our Board of Directors has determined that the committee consists entirely of directors who meet the independence requirements of the NYSE rules.

**Table of Contents****REPORT OF THE AUDIT COMMITTEE**

On behalf of our Board of Directors, the Audit Committee oversees the operation of a comprehensive system of internal controls in respect of the integrity of our financial statements and reports, compliance with laws, regulations and corporate policies and the qualifications, performance and independence of our independent registered public accounting firm. The committee's function is one of oversight, recognizing that our management is responsible for preparing our financial statements, and our independent registered public accountants are responsible for auditing those statements.

Consistent with this oversight responsibility, the committee has reviewed and discussed with management the audited financial statements for the year ended December 31, 2009 and management's assessment of internal control over financial reporting as of December 31, 2009. KPMG LLP, our independent registered public accounting firm, issued its unqualified report on our financial statements and the operating effectiveness of our internal control over financial reporting.

The committee has also discussed with KPMG LLP the matters required to be discussed in accordance with Statement on Auditing Standards No. 61, Communication with Audit Committees. The committee has also received the written disclosures and the letter from KPMG LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has conducted a discussion with KPMG LLP relative to its independence. The committee has determined that KPMG LLP's provision of non-audit services is compatible with its independence.

Based on these reviews and discussions, the committee recommended to the Board of Directors that our audited financial statements for the year ended December 31, 2009, be included in our annual report on Form 10-K for the fiscal year then ended.

Catherine A. Rein, Chairman

Richard J. Kogan

Robert Mehrabian

William C. Richardson

Samuel C. Scott III

John P. Surma

**AUDIT FEES, AUDIT RELATED FEES, TAX FEES AND ALL OTHER FEES**

The Audit Committee has appointed KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2010. We have been advised by KPMG LLP that it is an independent registered public accounting firm with the Public Company Accounting Oversight Board, which we refer to as the PCAOB, and complies with the auditing, quality control and independence standards and rules of the PCAOB and the SEC.

The appointment of KPMG LLP as our independent registered public accounting firm for the 2009 fiscal year was ratified at our 2009 Annual Meeting. The following table reflects the fees earned by KPMG LLP for the following types of services provided by KPMG LLP to us for 2009 and 2008:

Description of Fees	Amount of Fees	
	KPMG LLP for 2009	KPMG LLP for 2008
Audit Fees(1)	\$ 11,069,000	\$ 9,942,000
Audit-Related Fees(2)	\$ 13,516,000	\$ 9,807,000
Tax Fees(3)	\$ 1,889,000	\$ 1,552,000
All Other Fees(4)	\$ 376,000	\$ 230,000
<b>Total Fees</b>	<b>\$ 26,850,000</b>	<b>\$ 21,531,000</b>



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**Table of Contents**

- (1) Includes fees for professional services rendered for the audit of our annual financial statements for the fiscal year (including services relating to the audit of internal control over financial reporting under the Sarbanes-Oxley Act of 2002) and for reviews of the financial statements included in our quarterly reports on Form 10-Q and for other services that only an independent registered public accountant can reasonably provide.
- (2) Includes fees for services that were reasonably related to performance of the audit of the annual financial statements for the fiscal year, other than Audit Fees, such as service organization reports (under SAS 70), employee benefit plan audits and internal control reviews.
- (3) Includes fees for tax return preparation and tax planning.
- (4) Includes fees for regulatory and other advisory services.

**Other Services Provided by KPMG LLP**

KPMG LLP also provided services to entities associated with us that were charged directly to those entities and accordingly were not included in the amounts disclosed in the table above. These amounts included \$8.7 million for 2009 and \$5.9 million for 2008 for the audits and tax compliance services for mutual funds, collective funds and other funds advised by us. Also excluded from the amounts disclosed in the table above are fees billed by KPMG LLP to joint ventures or equity method investments in which we have an interest of 50% or less.

**Pre-Approval Policy**

Our Audit Committee has established pre-approval policies and procedures applicable to all services provided by our independent registered public accountants. In accordance with SEC rules, our pre-approval policy has two different approaches to pre-approving audit and permitted non-audit services performed by our independent registered public accountants. Proposed services may be pre-approved pursuant to policies and procedures established by the Audit Committee that are detailed as to a particular class of service without consideration by the Audit Committee of the specific case-by-case services to be performed. We refer to this pre-approval method as class pre-approval. If a class of service has not received class pre-approval, the service will require specific pre-approval by the Audit Committee before such service is provided by our independent registered public accountants. We refer to this pre-approval method as specific pre-approval. A list of services that has received class pre-approval from our Audit Committee (or its delegate) is attached to our Audit and Permitted Non-Audit Services Pre-Approval Policy. A copy of our Audit and Permitted Non-Audit Services Pre-Approval Policy is available on our website at [www.bnymellon.com/governance/auditpolicy.pdf](http://www.bnymellon.com/governance/auditpolicy.pdf). For 2009, all of the fees associated with the independent registered public accounting firm services were pre-approved by the Audit Committee.

**EXECUTIVE COMPENSATION CONSULTANTS TO THE HUMAN**

**RESOURCES AND COMPENSATION COMMITTEE**

The Human Resources and Compensation Committee has the sole authority to retain and terminate any independent compensation advisor directly assisting it. The Human Resources and Compensation Committee also has the sole authority to approve fees and other engagement terms. From the time of our merger in July 2007 through April 2009, the Human Resources and Compensation Committee received advice directly from two independent outside executive compensation advisors Frederic W. Cook & Co., Inc. and Towers Perrin, now known as Towers Watson. Effective August 2009, the Human Resources and Compensation Committee retained a new independent compensation consultant, Hewitt Associates LLC, to serve as the Human Resources and Compensation Committee's independent advisor. As discussed in greater detail in the Compensation Discussion and Analysis, throughout the year, the independent advisors assist the Human Resources and Compensation



## **Table of Contents**

Committee in its analysis and evaluation of compensation matters relating to our executive officers. The independent advisors retained by the Human Resources and Compensation Committee report directly to the Human Resources and Compensation Committee. The independent advisors attend the in-person and telephonic meetings of the Human Resources and Compensation Committee, and meet with the Human Resources and Compensation Committee in executive session without members of management present. The independent advisors also review and provide input on materials for the Committee's meetings and advise on other matters that the Human Resources and Compensation Committee may consider.

In 2009, Frederic W. Cook & Co., Inc. did not provide any other services to the company. In 2009, both Towers Watson and Hewitt, and their respective affiliates, provided limited additional services directly to management of the company and its affiliates. The fees paid to each firm for these additional services did not exceed \$120,000 in the aggregate.

In addition, as described in detail in the Compensation Discussion and Analysis, management also engages consultants that assist in executive compensation matters from time to time.

## **CORPORATE GOVERNANCE MATTERS**

### **Corporate Governance Guidelines**

Our Board of Directors has adopted Corporate Governance Guidelines covering, among other things, the duties and responsibilities and independence of our directors. The Corporate Governance Guidelines cover a number of other matters, including the Board's role in overseeing executive compensation, compensation and expenses for non-management directors, communications between stockholders and directors, and Board committee structures and assignments. A copy of our Corporate Governance Guidelines is available on our website at [www.bnymellon.com/governance/guidelines](http://www.bnymellon.com/governance/guidelines).

### **Employee Code of Conduct**

Our Board of Directors has adopted a Code of Conduct, which applies to all of our employees, for our company to provide a framework to maintain the highest standards of professional conduct. Through our Code of Conduct, we stress the importance of "Doing What's Right." Under our Code of Conduct, "Doing What's Right" means:

contributing to an ethical culture is expected and valued;

conducting business in full compliance with all applicable laws and regulations, and in accordance with the highest ethical standards;

fostering honest, fair and open communications;

demonstrating respect for our clients, communities and one another;

being accountable for your own and team actions; and

being willing to take a stand to correct or prevent any improper activity or business mistake.

### **Directors' Code of Conduct**

Our Board of Directors has adopted a Code of Conduct for directors of the company. This code is intended to provide guidance to our directors to help them recognize and deal with ethical issues, provide mechanisms to report possible unethical conduct and foster a culture of honesty and accountability. The Directors' Code of Conduct requires directors to:

avoid any conflicts of interest between the director and the company;

comply with the procedures set forth in our related party transactions policy;

## **Table of Contents**

maintain the confidentiality of information entrusted to them by the company and any other confidential information about the company that comes to them, except when and to the extent disclosure is authorized by the company or legally mandated;

endeavor to deal fairly with the company's customers, suppliers, competitors and employees;

protect the company's assets and oversee their efficient and effective use;

comply, and oversee compliance by employees, officers and other directors of the company, with laws, rules and regulations applicable to the company;

encourage the reporting of any possible illegal or unethical behavior; and

communicate any suspected violations of the code promptly to our General Counsel or the Chairman of our CG&N Committee.

Both our Code of Conduct and our Directors' Code of Conduct satisfy applicable SEC and NYSE requirements and, together, apply to all of our directors, officers and employees and those of our subsidiaries. A copy of the Code of Conduct is available on our website at [www.bnymellon.com/ethics/codeofconduct.pdf](http://www.bnymellon.com/ethics/codeofconduct.pdf). A copy of the Directors' Code of Conduct is available on our website at [www.bnymellon.com/governance/directorscodeofconduct.pdf](http://www.bnymellon.com/governance/directorscodeofconduct.pdf). We intend to disclose any amendments to our Code of Conduct or our Directors' Code of Conduct and any waivers from the Code of Conduct or the Directors' Code of Conduct for executive officers and directors, respectively, by posting such information on our website.

## **Director Independence**

Our independent directors are: Ruth E. Bruch; Nicholas M. Donofrio; Edmund F. Kelly; Richard J. Kogan; Michael J. Kowalski; John A. Luke, Jr.; Robert Mehrabian; Mark A. Nordenberg; Catherine A. Rein; William C. Richardson; Samuel C. Scott III; John P. Surma; and Wesley W. von Schack. With 13 independent directors out of 15 total directors, the Board has satisfied its objective that at least a majority of the Board should consist of independent directors.

## ***Our Standards of Independence***

For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with us. The Board has established standards based on the following categories and types of transactions to assist it in determining director independence (which are also included in our Corporate Governance Guidelines), which conform to, or are more exacting than, the independence requirements in the NYSE listing standards. A copy of these independence standards is also available as part of our Corporate Governance Guidelines at [www.bnymellon.com/governance/guidelines](http://www.bnymellon.com/governance/guidelines). Under the standards, a director will not be considered independent if:

the director is, or has been within the last three years, an employee of us, or an immediate family member of the director is, or has been within the last three years, an executive officer of us;

the director has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than \$120,000 in direct compensation from us except in his or her capacity as a director and except for compensation received by an immediate family member for service as an employee (other than an executive officer) of us or any of our subsidiaries;

(A) the director or an immediate family member is a current partner of a firm that is our internal or external auditor, (B) the director is a current employee of such a firm, (C) the director has an immediate



## Table of Contents

family member who is a current employee of such a firm and who participates in the firm's audit, or (D) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on our audit within that time;

the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of our present executive officers at the same time serves or has served on the compensation committee;

the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, us for property or services in an amount which, in any of the last three fiscal years of such other company's operations, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues; or

we made a charitable contribution (excluding matching gifts) to any charitable organization of which the director serves as an executive officer and the contribution exceeded the greater of \$1 million or 2% of the charitable organization's consolidated gross revenues in a single fiscal year within the past three years.

For purposes of these standards, an immediate family member includes a director's spouse, parents, children, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law and anyone (other than domestic employees) who shares the director's home.

A director will be deemed not to be independent if the Board finds that the director has material business arrangements with us that would jeopardize his or her judgment. In making independence determinations, the Board will review business arrangements between (i) us and the director and (ii) us and an entity for which the director serves as an officer or general partner, or of which the director directly or indirectly owns 10% of the equity. Such arrangements will not be considered material if:

they are of a type that we usually and customarily offer to customers or vendors;

they are on terms substantially similar to those for comparable transactions with other customers or vendors under similar circumstances;

in the event that the arrangements had not been made or were terminated in the normal course of business, it is not reasonably likely that there would be a material adverse effect on the financial condition, results of operations or business of the recipient; or

in the case of personal loans, all such loans to directors are subject to and in compliance with Regulation O of the Federal Reserve Board.

In applying the factors above, the Board may consider such other factors as it may deem necessary to arrive at sound determinations as to the independence of each director, and such factors may override the conclusion of independence or non-independence that would be reached simply by reference to the enumerated factors.

In reaching its director independence determinations, the Board reviewed the standards listed above, the corporate governance rules of the NYSE and the SEC and the individual circumstances of each director and determined that each of the directors identified above as independent satisfied each standard. The following categories and types of transactions, relationships and arrangements were considered by our Board under the applicable independence definitions in determining that each director is independent:

Purchases of goods or services in the ordinary course of business on non-preferential terms by us or our subsidiaries from companies of which our independent directors are or were executive officers (Mr. Edmund Kelly, Mr. Kowalski, Mr. Luke, Mr. Nordenberg);



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**Table of Contents**

Purchases of goods or services from us or our subsidiaries in the ordinary course of business on non-preferential terms and conditions by our independent directors or by companies of which our independent directors are or were executive officers (Ms. Bruch, Mr. Edmund Kelly, Mr. Kowalski, Mr. Luke, Dr. Mehrabian, Mr. Nordenberg, Mr. Scott, Mr. Surma, Mr. von Schack);

Charitable contributions by us or any of our subsidiaries or by the BNY Mellon Charitable Foundation or The Bank of New York Mellon Corporation Foundation to not-for-profit, charitable, tax-exempt or non-profit organizations of which our directors serve or served as directors, executive officers or trustees (Mr. Donofrio, Mr. Edmund Kelly, Mr. Kogan, Mr. Nordenberg, Mr. Surma); and

Beneficial ownership or voting power by us or our subsidiaries (including funds advised by our subsidiaries) of shares of companies of which our non-management directors are or were executive officers (Ms. Bruch, Mr. Kowalski, Mr. Luke, Dr. Mehrabian, Mr. Scott, Mr. Surma).

**Business Relationships and Related Party Transactions Policy**

In the ordinary course of business, certain of our subsidiaries have had, and expect to continue to have, banking and other transactions of the type referenced above with related persons. A related person includes directors, nominees for director, executive officers, greater than five percent beneficial owners, members of such persons' immediate families and any firm, corporation or other entity in which any of the foregoing persons is employed as a general partner or principal or in a similar position or in which such person and all other related persons has a 10% or greater beneficial interest.

We have adopted a policy on related party transactions, which we refer to as our related party transactions policy, and which was reviewed by the CG&N Committee. Our related party transactions policy covers any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we or any of our subsidiaries was, is or will be a participant and the amount involved exceeds \$120,000, and in which any related person had, has or will have a direct or indirect material interest.

In making its determination to approve a disclosable related party transaction, the CG&N Committee takes into consideration all of the relevant facts and circumstances available to it, including (if applicable) but not limited to: (i) the related person's relationship to us and interest in the transaction; (ii) the material facts of the transaction, including the amount involved; (iii) the benefits to us of the transaction; (iv) the availability from other sources of comparable products or services; and (v) an assessment of whether the transaction is on terms that are comparable to the terms available to or from an unrelated third party or to employees generally. The committee also considers the impact on a director's independence in the event the related person is a director, an immediate family member of a director or a director-related company.

No member of the CG&N Committee participates in the review, consideration, approval or ratification of any disclosable related party transaction with respect to which such member or any of his or her immediate family members or director-related company is the related person. The committee approves only those disclosable related party transactions that are in, or are not inconsistent with, our best interests and the best interests of our stockholders, as the committee determines in good faith.

If a disclosable related party transaction is identified after it is already ongoing or completed, it would be submitted to the committee promptly for ratification, applying the standards described above. The committee would evaluate all options available to us, including ratification, amendment, termination or rescission of the transaction. The committee may recommend to our Board of Directors from time to time adoption of resolutions pre-approving certain types or categories of transactions that the committee determines are in, or are not inconsistent with, our best interests and the best interests of our stockholders, as the committee determines in good faith. The Board has adopted a resolution pre-approving transactions that involve the sale or other provision of products and services (not subject to Regulation O or other specific regulatory requirements) by our company

**Table of Contents**

or its subsidiaries to directors and members of their immediate family, director-related companies and executive officers and members of their immediate family in the ordinary course and on terms generally offered in transactions with non-related persons.

Certain transactions with related persons not considered to be related party transactions are those transactions that involved loans or extensions of credit that, in each case, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectibility or present other unfavorable features. Other transactions were in the ordinary course of business and on non-preferential terms and conditions.

Consistent with SEC rules, our related party transactions policy provides that the following transactions or interests may be entered into with a related person and are not considered to be related party transactions or are not required to be disclosed:

An extension of credit to a related person that is made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons who are not related persons and does not involve more than the normal risk of collectibility or present other unfavorable features;

Indebtedness that constitutes amounts due from related persons for purchases of goods and services subject to the usual trade terms, ordinary business and travel expenses or other transactions in the ordinary course;

Interests in a firm or entity that engages in a transaction with us if the interest arises only from the related person's position as director of the other entity or direct or indirect ownership of less than 10% of the entity's equity, or both;

Interests in a firm or entity that engages in a transaction with us if the interest arises only from the related person's position as a limited partner of a partnership in which he or she has less than 10% of the total interests and is not a general partner and does not have another position with the partnership.

A transaction involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;

A transaction where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

Transactions where the related person's interest arises solely from the ownership of the company's equity securities and all stockholders receive the same benefit on a pro rata basis; and

Compensation paid to executive officers and directors of the company that is reported in the company's proxy statement or otherwise approved or recommended by the Human Resources and Compensation Committee.

Our policy does not limit or affect the application of our other policies to our directors, executive officers and other related persons, including our Codes of Conduct.



## **Table of Contents**

### **Lead Director, Executive Sessions of Independent Directors, and Communications with Lead Director and Independent Members of the Board**

#### ***Our Lead Director***

Mr. von Schack, an independent director, currently serves as our Lead Director. As set forth in our Corporate Governance Guidelines, our Lead Director has the following duties and responsibilities:

Provides input on the agenda for each Board meeting;

Presides over executive sessions of non-management directors;

Receives certain correspondence addressed to the Board or the non-management directors;

Acts as a liaison to facilitate communication between independent directors and the Chairman and Chief Executive Officer, as appropriate;

Regularly discusses with the Chairman and Chief Executive Officer whether appropriate information is being sent to the Board;

Regularly discusses with the Chairman and Chief Executive Officer whether there is sufficient time for discussion at Board meetings;

Regularly discusses with the Chairman and Chief Executive Officer the topics and quality of presentations to the Board;

Presides at Board and stockholder meetings if the Chairman is absent;

Is available to meet with major stockholders and regulators under appropriate circumstances;

In conjunction with the Chairman of the Human Resources and Compensation Committee, discusses with the Chief Executive Officer the results of the Board's annual evaluation of the Chief Executive Officer's performance;

Can call meetings of the independent directors in his discretion; and

Performs such other functions as the Board shall direct or request from time to time.

Our by-laws further provide that, in the event of the absence or temporary disability of the Chairman, the Lead Director will preside at the applicable stockholder and/or Board meetings during such absence or disability.

#### ***Executive Sessions of Non-Management Directors***

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Under our Corporate Governance Guidelines, non-management directors hold an executive session without management at each regularly scheduled Board meeting. The Lead Director presides over executive sessions of non-management directors. At least one executive session each year is required to be attended only by non-management directors.

### *Communications with Lead Director and Independent Members of the Board*

Interested parties may send communications to our Lead Director in accordance with the procedures set forth on our website at <http://www.bnymellon.com/governance/contact.html>.

## **Table of Contents**

Our Corporate Secretary is authorized to open and review any mail or other correspondence received that is addressed to the Board or any individual director unless the item is marked Confidential or Personal. If so marked and addressed to the Board, it will be delivered unopened to the lead director. If so marked and addressed to an individual director, it will be delivered to the addressee unopened. If, upon opening an envelope or package not so marked, the Corporate Secretary determines that it contains a magazine, solicitation or advertisement, the contents may be discarded.

The Audit Committee has approved procedures with respect to the receipt, review and processing of, and any response to, written communications sent by stockholders and other interested persons to our Board of Directors. Any written communication regarding accounting, internal accounting controls or other financial matters are processed in accordance with procedures adopted by the Audit Committee.

## **Our Board Leadership Structure**

The Board has reviewed our company's current Board leadership structure which consists of a combined Chairman and Chief Executive Officer with an independent Lead Director in light of the composition of the Board, the company's size, the nature of the company's business, the regulatory framework under which the company operates, the company's stockholder base, the company's peer group and other relevant factors, and has determined that a combined Chairman and Chief Executive Officer position, with an independent Lead Director, is currently the most appropriate Board leadership structure for our company. The Board noted the following factors in reaching its determination:

The Board acts efficiently and effectively under its current structure, where the Chief Executive Officer also acts as Chairman with a strong independent Lead Director.

A combined Chairman/Chief Executive Officer is in the best position to be aware of major issues facing the company on a day-to-day and long-term basis, and is in the best position to identify key risks and developments facing the company to be brought to the Board's attention (in consultation with the Lead Director as part of the agenda-setting process).

A combined Chairman/Chief Executive Officer position eliminates the potential for confusion and duplication of efforts, including among employees.

A combined Chairman/Chief Executive Officer position eliminates the potential for confusion as to who leads the company, providing the company with a single public face in dealing with stockholders, employees, regulators, analysts and other constituencies.

The Lead Director serves as an effective counterbalance to factors commonly cited as reasons to separate the Chairman and Chief Executive Officer positions, such as concerns that the Chairman/Chief Executive Officer will control the Board agenda or dominate Board meetings. In this regard, the Board noted the following:

The Lead Director consults with and provides input to the Chairman/Chief Executive Officer on the agenda for Board meetings.

The Lead Director consults regularly with the Chairman/Chief Executive Officer with respect to whether the directors receive appropriate information and there is sufficient time for discussion at Board meetings.

The Lead Director regularly discusses with the Chairman/Chief Executive Officer the topics and quality of presentations to the Board.

## **Table of Contents**

The Lead Director presides at executive sessions of independent directors, which are held at each regular Board meeting, and serves as liaison between the other independent directors and the Chairman/Chief Executive Officer.

The Lead Director can call meetings of the independent directors in his discretion.

The Lead Director is available to meet with major stockholders and regulators under appropriate circumstances.

In conjunction with the chairman of the Human Resources and Compensation Committee, the Lead Director discusses with the Chairman/Chief Executive Officer the Board's annual evaluation of his performance as Chief Executive Officer.

The Lead Director serves as a point of contact for other independent directors of our company in addition to the Chairman/Chief Executive Officer, providing independent directors with an effective means to raise matters they may not be comfortable raising with the Chairman/Chief Executive Officer.

The powers of the Chairman under our by-laws are limited – other than chairing meetings of the Board and stockholders, the powers conferred on the Chairman (e.g., ability to call special meetings of stockholders or the Board) can be exercised by the Board or a specified number of directors or, in some cases, the Lead Director, or are administrative in nature (e.g., authority to execute documents on behalf of the company).

The Lead Director chairs any meeting of the Board or stockholders at which the Chairman is absent.

A substantial majority of the company's peer group utilizes a Board structure with a combined Chairman and Chief Executive Officer, with the majority of these companies also having a lead or presiding director.

### **The Role of the Board in Risk Oversight**

The understanding, identification and management of risk are essential elements for the successful management of the company.

Risk oversight begins with the Board of Directors and two key Board committees: the Risk Committee and the Audit Committee. These committees have been in place since the merger in 2007. Prior to the merger, the boards of directors of both Bank of New York and Mellon had risk committees in place since January 2002 and December 2002, respectively.

The Risk Committee consists of independent directors and meets on a regular basis to review and assess our risks, control processes with respect to such risks, and our risk management and fiduciary policies and activities. The Risk Committee has primary oversight responsibility for risk management. As set forth in the Risk Committee's Charter, the Risk Committee's responsibilities include, among others:

Review of significant financial and other risk exposures and the steps management has taken to monitor, control and report such exposures, including credit, market, fiduciary, liquidity, reputational, operational, fraud, strategic, technology, data-security and business-continuity risks;

Evaluation of risk exposure and tolerance, and approval of appropriate transactional or trading limits;

Review and evaluation of the company's policies and practices with respect to risk assessment and risk management;

Review of reports and significant findings of the company's Risk Management and Compliance department, which we refer to as the Risk department, and the Internal Audit department, which we

## **Table of Contents**

refer to as Internal Audit, with respect to the risk management activities of the company, together with management's responses and follow-up to these reports;

Review of significant reports from regulatory agencies relating to risk issues, and management's responses;

Review of the scope of work of the Risk department and its planned activities with respect to the risk management activities of the company; and

Review of the company's technology risk management program.

The Risk Committee delegates policy formulation and day-to-day oversight of risk to our Chief Risk Officer, who is responsible for an effective risk management structure.

The Audit Committee also plays a role in risk oversight. The Audit Committee reviews and discusses policies with respect to risk assessment and risk management. The Audit Committee also has oversight responsibility with respect to the integrity of the company's financial reporting process and systems of internal controls regarding finance and accounting, as well as its financial statements. At the management level, Internal Audit is responsible for providing reliable and timely information to the Board and management regarding the company's effectiveness in identifying and appropriately controlling risks. Annually, the Risk Committee presents to the Audit Committee a report summarizing the Risk Committee's review of the company's methods for identifying and managing risks.

Since the financial crisis emerged in September 2008, the Risk and Audit Committees of the Board have held joint sessions at the beginning of each of their regular meetings, to hear reports and discuss key risks affecting the company and the management of these risks. By design, all independent directors are currently members of either the Risk or Audit Committee, so that all independent directors are present during the joint sessions. In doing so, we have structured our Board committee meetings in a manner that facilitates discussion of major risks with all independent directors, including the Lead Director, at each regular meeting of the Board. Prior to September 2008, the Risk and Audit Committees of the Board met jointly from time to time, as did the Bank of New York and Mellon Risk and Audit Committees prior to the merger.

The company also has a comprehensive internal risk framework, which facilitates performance of risk oversight by the Risk Committee. Our risk management framework is designed to:

Provide that risks are identified, monitored, reported, and priced properly;

Define and communicate the types and amount of risk the company is willing to take;

Communicate to the appropriate management level the type and amount of risk taken;

Maintain a risk management organization that is independent of the risk-taking activities; and

Promote a strong risk management culture that encourages a focus on risk-adjusted performance.

Under the company's risk management framework, the company has formed a Senior Risk Management Committee, which we refer to as the SRMC, which consists of members of senior management and which reports to both the Risk Committee and the Audit Committee. The SRMC is the senior most focal point within the company to monitor, evaluate and recommend comprehensive policies and solutions to deal with all aspects of risk and to assess the adequacy of any risk remediation plans in the company's businesses. The SRMC provides reports of its activities to the Risk Committee, and any significant changes in the key responsibilities of the SRMC must be reported to the Risk Committee.

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In addition, the company has also formed several risk management sub-committees to identify, assess and manage risks. Each risk management sub-committee reports its activities to the SRMC and any significant changes in the key responsibilities of any sub-committee, or a change in chairmanship of any sub-committee, must be approved by the Chief Risk Officer and subsequently reported to the SRMC.

Our primary risk exposures as well as our risk management framework and methodologies are discussed in further detail on pages 67 to 73 in our 2009 Annual Report.

**Table of Contents**

**BENEFICIAL OWNERSHIP OF SHARES BY HOLDERS OF 5% OR  
MORE OF OUTSTANDING STOCK**

As of February 12, 2010, we had 1,208,396,830 shares of common stock outstanding.

Based on filings made under Section 13(d) and 13(g) of the Exchange Act, as of February 12, 2010, the only persons known by us to be beneficial owners of more than 5% of our common stock were as follows:

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Class
BlackRock, Inc.(1) 40 East 52nd Street New York, NY 10022	67,295,266	5.57%
Davis Selected Advisers, L.P.(2) 2949 East Elvira Road, Suite 101 Tucson, Arizona 85706	65,650,601	5.43%

(1) Based on a review of the Schedule 13G filed on January 29, 2010 by BlackRock, Inc. The Schedule 13G discloses that BlackRock, Inc. had sole voting and sole dispositive power as to all 67,295,266 shares.

(2) Based on a review of the Schedule 13G filed on February 12, 2010 by Davis Selected Advisers, L.P. The Schedule 13G discloses that Davis Selected Advisers, L.P. had sole voting power as to 55,006,531 shares and sole dispositive power as to 65,650,601 shares.

**BENEFICIAL OWNERSHIP OF SHARES BY DIRECTORS AND EXECUTIVE OFFICERS**

The table below sets forth the number of shares of our common stock beneficially owned as of the close of business on February 12, 2010, by each director, each individual included in the Summary Compensation Table below and our current directors and executive officers as a group as of December 31, 2009, based on information furnished by each person. Except as otherwise indicated, sole voting and sole investment power with respect to the shares shown in the table below are either held by the individual alone or by the individual together with his or her immediate family.

Name	Shares of Common Stock Beneficially Owned(1)(2)
Torry Berntsen	255,840(3)
Ruth E. Bruch	23,025(4)
Nicholas M. Donofrio	31,906(5)
Steven G. Elliott	2,413,527(6)(7)(8)
Thomas P. Gibbons	1,193,212(8)
Gerald L. Hassell	3,119,681(8)(9)(10)
Edmund F. Kelly	21,657
Robert P. Kelly	1,622,706(8)
Richard J. Kogan	34,994
Michael J. Kowalski	31,462
John A. Luke, Jr.	34,616
Robert Mehrabian	82,618(11)



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Mark A. Nordenberg	31,770
Ronald P. O Hanley	1,233,215(6)(8)
Catherine A. Rein	97,158(12)
William C. Richardson	33,049
Samuel C. Scott III	24,541
John P. Surma	23,980
Wesley W. von Schack	152,299(10)(13)
All current directors and executive officers, as a group (30 persons)	16,757,561(8)

**Table of Contents**

- (1) On February 12, 2010, none of the individuals named in the above table beneficially owned more than 1% of our outstanding shares of common stock. On that date, all of the directors and executive officers as a group beneficially owned approximately 1.37% of our outstanding stock.
- (2) Includes the following amounts of common stock which the indicated individuals and group have the right to acquire under our equity plans and deferred compensation plans within 60 days of February 12, 2010, or, as described in footnotes 4, 5, 11,12 and 13 below, through the exercise of stock options or the potential payout of deferred share units, restricted share units or phantom shares: Mr. Berntsen, 201,098; Ms. Bruch, 22,004; Mr. Donofrio, 31,906; Mr. Elliott, 1,794,680; Mr. Gibbons, 1,042,656; Mr. Hassell, 2,311,249; Mr. Edmund Kelly, 17,657; Mr. Robert Kelly, 1,031,938; Mr. Kogan, 6,914; Mr. Kowalski, 25,802; Mr. Luke, 6,914; Dr. Mehrabian, 37,305; Mr. Nordenberg, 31,237; Mr. O Hanley, 818,854; Ms. Rein, 60,738; Dr. Richardson, 31,916; Mr. Scott, 20,578; Mr. Surma, 21,897; and Mr. von Schack, 36,005.
- (3) Mr. Berntsen ceased to serve as a Senior Executive Vice President on May 29, 2009.
- (4) Includes 1,085 shares that will be paid to Ms. Bruch in a lump sum on January 1, 2013, in accordance with her election under the Mellon Financial Corporation Deferred Compensation Plan for Directors.
- (5) Includes 24,991 shares that will be paid out to Mr. Donofrio in installments beginning in January of the year following retirement from our Board in accordance with his election under the Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc. and 2,780 deferred share units that will be paid in shares in installments beginning upon retirement from our Board in accordance with his election with respect to the deferred share units.
- (6) On February 12, 2010, an aggregate of 172,138 shares of our common stock were held by Wachovia Bank, N.A., as Trustee of the Mellon Financial Corporation Deferred Share Award Trusts. These shares are voted by the Trustee as directed on a per capita basis by the three beneficiaries of the Trusts, including Mr. Elliott, Mr. O Hanley, and one retired executive officer who is not included in the totals for the above table. On February 12, 2010, the following individuals and group held the following number of deferred share awards representing an economic interest in an equivalent number of shares of common stock held by the Trusts (which shares are included in the total for such individual and group in the above table): Mr. Elliott, 163,471 shares; Mr. O Hanley, 974 shares; and all directors, nominees, and executive officers as a group, 164,445 shares.
- (7) 303,557 shares are pledged by Mr. Elliott.
- (8) The payout of certain amounts shown may be subject to delay pursuant to Section 409A of the Internal Revenue Code, as amended. Any such delay has not been considered for the purposes of this table.
- (9) Includes 56,604 shares held by Mr. Hassell's spouse, as to which Mr. Hassell disclaims beneficial ownership. Also includes 28,538 shares held in trusts over which Mr. Hassell exercises investment discretion and voting power.
- (10) Includes the following shares held by the individual in Grantor Retained Annuity Trusts: Mr. Hassell, 419,688 shares; and Mr. von Schack, 100,696 shares.

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- (11) Includes 9,368 shares that will be paid to Dr. Mehrabian in installments beginning in January of the year following retirement from our Board in accordance with his election under The Bank of New York Mellon Corporation Deferred Compensation Plan for Directors; 2,961 deferred share units that will be paid in shares in installments beginning upon retirement from our Board in accordance with his election with respect to the deferred share units; and 39,312 shares held in a trust for which Dr. Mehrabian has investment discretion and voting power.

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**Table of Contents**

- (12) Includes 53,824 shares that will be paid to Ms. Rein in installments beginning in January of the year following retirement from our Board in accordance with her election under the Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc. and 2,780 deferred share units that will be paid in shares in installments beginning upon retirement from our Board in accordance with her election with respect to the deferred share units.
- (13) Includes 4,768 shares that will be paid to Mr. von Schack in installments beginning the January following the later of the date of his retirement from our Board or age 70 in accordance with his election under the Mellon Financial Corporation Deferred Compensation Plan for Directors; and 2,961 deferred share units that will be paid in shares in installments beginning upon retirement from our Board in accordance with his election with respect to the deferred share units.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors and executive officers to file with the SEC initial reports of beneficial ownership and reports of changes in ownership of any of our securities. These reports are made on documents referred to as Forms 3, 4 and 5. They must also provide us with copies of these reports. We have reviewed the copies of the reports that we have received and written representations from the individuals required to file the reports. Based on this review, we believe that during 2009 each of our directors and executive officers complied with applicable reporting requirements for transactions in our equity securities.

**DIRECTOR COMPENSATION**

Our Corporate Governance Guidelines provide that compensation for our non-management directors' services may include annual cash retainers; shares of our common stock; deferred stock units or options on such shares; meeting fees; fees for serving as a committee chairman; and fees for serving as a director of one of our subsidiaries. We also reimburse directors for their reasonable out-of-pocket expenses in connection with attendance at Board meetings. Directors are reimbursed for their travel expenses not exceeding, in the case of airfare, the first-class commercial rate. Directors will also be reimbursed for reasonable out-of-pocket expenses (including tuition and registration fees) relating to attendance at seminars and training sessions relevant to their service on the Board and in connection with meetings or conferences which they attend at the company's request. Our CG&N Committee periodically reviews director compensation and makes recommendations to the Board with respect thereto. Our Corporate Governance Guidelines provide that director compensation should be consistent with market practice and should align directors' interests with those of long-term stockholders while not calling into question directors' objectivity.

Our Board has adopted a policy to pay our non-management directors an annual cash retainer of \$75,000, payable in quarterly installments in advance, and a meeting fee of \$1,800 for each committee meeting attended. The chairman of the Audit Committee receives an annual cash retainer of \$15,000 and the chairmen of all other committees each receive an annual cash retainer of \$12,500. In 2009, our Lead Director received an annual cash retainer of \$12,500. The annual cash retainer for the Lead Director will be increased to \$25,000 in April 2010. In addition, non-management directors who are members of any special or other committee of the Board will receive a per meeting fee of \$1,800, and each non-management director will receive an annual award of deferred stock units in an amount determined by the Board on the recommendation of the CG&N Committee. In 2009, this award had a value of \$110,000 and was awarded shortly after the 2009 Annual Meeting. For 2010, this award will have a value of \$110,000 and will be awarded shortly after the 2010 Annual Meeting. The units will vest on the earlier of one year after the date of the award or on the date of the next Annual Meeting of stockholders and must be held for as long as the director serves on the Board. The units will accrue dividends, which will be reinvested in additional deferred stock units.

**Table of Contents**

We assumed in the merger the Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc., which we call the Bank of New York Plan, and the Mellon Elective Deferred Compensation Plan for Directors, which we call the Mellon Plan. Under the Bank of New York Plan, participating continuing Bank of New York directors continued to defer receipt of all or part of their annual retainer and meeting fees earned through 2007. Under the Mellon Plan, participating continuing Mellon directors continued to defer receipt of all or part of their annual retainer and fees earned through 2007. Both plans are nonqualified plans, and neither plan is funded.

Although the Bank of New York Plan and Mellon Plan continue to exist, all new deferrals have been made under a new Director Deferred Compensation Plan, effective as of January 1, 2008. Under this new plan, a director choosing to defer can direct all or a portion of his or her annual retainer or committee meeting fees into either (i) variable funds, credited with gains or losses that mirror market performance of market style funds or (ii) the company's phantom stock.

The following table provides information concerning the compensation of each non-management director who served in 2009.

Name	Fees Earned or Paid in Cash(\$)	Stock Awards\$(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)	All Other Compensation\$(4)	Total(\$)
Ruth E. Bruch	\$ 127,100	\$ 109,978	\$	\$	\$ 237,078
Nicholas M. Donofrio	\$ 103,700(1)	\$ 109,978	\$	\$ 627	\$ 214,305
Edmund F. Kelly	\$ 105,600	\$ 109,978	\$	\$	\$ 215,578
Richard J. Kogan	\$ 120,000	\$ 109,978	\$	\$	\$ 229,978
Michael J. Kowalski	\$ 107,400(1)	\$ 109,978	\$	\$ 343	\$ 217,721
John A. Luke, Jr.	\$ 114,500	\$ 109,978	\$	\$	\$ 224,478
Robert Mehrabian	\$ 136,944(1)	\$ 109,978	\$ 21,220	\$ 3,553	\$ 271,695
Mark A. Nordenberg	\$ 111,000	\$ 109,978	\$ 5,381	\$ 1,461	\$ 227,820
Catherine A. Rein	\$ 126,000	\$ 109,978	\$ 18,240	\$ 1,351	\$ 255,569
William C. Richardson	\$ 139,024	\$ 109,978	\$	\$	\$ 249,002
Samuel C. Scott III	\$ 116,400(1)	\$ 109,978	\$	\$ 343	\$ 226,721
John P. Surma	\$ 105,600	\$ 109,978	\$ 4,039	\$ 688	\$ 220,305
Wesley W. von Schack	\$ 134,305(1)	\$ 109,978	\$ 32,072	\$ 2,471	\$ 278,826

- (1) Elected to defer all or part of cash compensation in the Director Deferred Compensation Plan.
- (2) Amount shown represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for 4,096 deferred stock units granted to each non-management director in April 2009. As of December 31, 2009, each non-management director owned 4,135 unvested deferred stock units.
- (3) The amounts disclosed in this column for Dr. Mehrabian and Messrs. Nordenberg, Surma and von Schack represent the sum of the portion of interest accrued (but not currently paid or payable) on deferred compensation above 120% of the applicable federal long-term rate at the maximum rate payable under the Mellon Plan. Under the Mellon Plan, deferred amounts receive earnings based on (i) the declared rate, reflecting the return on the 120-month rolling average of the 10-year T-Note rate enhanced based on years of service and compounded annually, (ii) variable funds, which are credited with gains or losses that mirror the market performance of market-style funds or (iii) the company's phantom stock. The fully enhanced declared rate for 2009 was 6.39%. The amount disclosed in the column for Ms. Rein represents the amount of increase in the present value of Ms. Rein's accumulated pension benefit under the Bank of New York Plan. Ms. Rein is the only current director who participates in the Bank of New York Plan. Participation in this plan was frozen as to participants and benefit accruals as of March 11, 1999.

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## **Table of Contents**

- (4) The following is a description of the items comprising All Other Compensation for each director for whom a value is disclosed in the table above: Mr. Donofrio, Mr. Kowalski, Ms. Rein and Mr. Scott received a 5% discount on purchases of phantom stock when dividend equivalents are reinvested under the Bank of New York Plan. The values for Dr. Mehrabian and Messrs. Nordenberg, Surma and von Schack reflect the estimated cost of the legacy Mellon Directors Charitable Giving Program, which remains in effect for certain continuing Mellon directors. Upon such continuing Mellon director's death, we will make a total donation of \$250,000 to the charitable or educational organization of the director's choice. The donations are paid in 10 equal installments of \$25,000.

On September 9, 2003, Mr. Kogan and Schering-Plough Corporation, of which Mr. Kogan is the former Chairman/CEO, entered into a settlement with the SEC to resolve issues arising from the SEC's inquiry into certain meetings by Schering-Plough Corporation with investors. Without admitting or denying any allegations of the SEC, Mr. Kogan agreed in connection with the settlement not to commit any future violations of Regulation FD and related securities laws.

## **Review of Compensation and Incentive Plans to Assure No Unnecessary or Excessive Risks**

### ***Introduction***

As a result of the company's participation in the TARP Capital Purchase Program for a portion of 2009, the Human Resources and Compensation Committee was required to review the incentive compensation arrangements of the company's named executive officers with the company's senior risk officer to ensure that their incentive compensation arrangements do not encourage them to take unnecessary and excessive risks that threaten the value of the company. Even though not expressly required, the Human Resources and Compensation Committee also reviewed the compensation arrangements of the company's other top executives (which include an additional 11 executives) who serve on the company's 16 member executive committee. In 2009, based on the recommendation of management, the Human Resources and Compensation Committee and the chief risk officer also implemented a broad initiative to conduct a comprehensive review of the company's other compensation plans to ensure that compensation incentives do not induce risk taking in excess of the company's risk tolerances. The following is a discussion of actions taken by the company and the Human Resources and Compensation Committee in 2009 to consider and address compensation related risks.

### ***Risk Assessment***

Each member of the executive committee participates in the company's executive incentive compensation plan, which we refer to as the EICP, and the company's long-term incentive plan (each of which is described in the Compensation Discussion and Analysis below). In December 2008 and January 2009, the company's chief risk officer reviewed the 2008 targeted compensation opportunities under the EICP and under the long-term incentive plan to identify any major risks that could threaten the value of the company based on a comparison to a list of best practices developed by the chief risk officer, which was tailored to address risk factors applicable to the financial services industry and to the company's specific lines of businesses. Following this review, the chief risk officer reported his assessment of the risks under the executive plans for 2008 to the Human Resources and Compensation Committee in January 2009. Based on his review, the chief risk officer recommended to the Human Resources and Compensation Committee that it adopt the following risk based changes to the executive plans to become effective for compensation in 2009:

funding of 2009 plan year awards to senior executive officers under the EICP would be subject to the company's satisfying the minimum U.S. regulatory standard for a well capitalized bank (currently, Tier 1 capital ratio of 6%);

individual 2009 plan year awards to senior executive officers would include a consideration of economic capital measures in determining whether to make such award; and

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**Table of Contents**

no portion of any equity award made in 2009 to any senior executive officer under the company's long-term incentive compensation plan would vest before one year from the date of grant of such award (other than with respect to prior contractual obligations, disability or death).

After review and discussion of the recommendations of the chief risk officer, the Human Resources and Compensation Committee resolved to increase the 2009 minimum funding standard for the EICP by requiring the company to satisfy the minimum U.S. regulatory standard for a well capitalized bank (currently, Tier 1 capital ratio of 6%) plus 100 basis points. After making this change, the Human Resources and Compensation Committee resolved to adopt the risk-based measures described above starting in 2009.

***Compensation and Incentive Plan Initiative***

In connection with its evaluation of the executive plans, the Human Resources and Compensation Committee also determined to conduct an evaluation in close collaboration with the chief risk officer of all of the company's compensation arrangements, to better align the company's overall compensation practices with sound risk management and long-term growth. We refer to this evaluation as the company's compensation and incentive plan initiative. Under this initiative, the company took steps during 2009 to:

develop tailored best practices to guide management in the evaluation of the company's compensation plans and arrangements and develop guiding principles for use in reviewing each of the company's compensation plans;

rate each plan as high risk, medium risk or low risk based on consideration of whether the plan provides compensation to employees in high risk business units (which are generally business units that have significant processing volumes, generate significant credit exposure, are subject to significant market volatility or create tail risk for the company extending beyond the time horizon of the compensation plan) and whether the plan has significant gaps compared to the company's best practices;

address any risk-based concerns identified in each plan identified as high or medium risk;

initiate a review process for future changes to any incentive plan that requires an enhanced assessment by the company's risk management group and/or the company's finance group for changes that represent a departure from best practices; and

implement a management level compensation oversight committee, which is a formal governance structure consisting of senior executives designed to establish a consistent approach to pool funding, to approve significant changes to any high risk plan, to approve incentive compensation programs of target companies in connection with acquisitions, and to advise the Human Resources and Compensation Committee on any compensation risk-related issues.

Finally, the Human Resources and Compensation Committee approved a plan to modify certain of the company's non-executive compensation plans beginning in 2010. The key plan design modifications are intended to:

require the funding of incentive compensation pools for the majority of our employees be linked to company and business unit performance, with approximately 20% of compensation pool funding linked to overall performance of the company, and the remaining funding tied to business unit performance metrics;

align cash payouts with the management of longer term business risks by deferring payment of a portion of eligible employee's cash bonuses in the form of restricted stock, or a comparable deferral vehicle; and

require award recipients to agree to clawbacks on such awards in the event of fraud or conduct contributing to financial restatement or irregularities.





**Table of Contents**

**COMPENSATION DISCUSSION AND ANALYSIS**

**Overview**

2009 was a challenging year for the company, as the unprecedented market crisis in the fall of 2008 led to continued volatility and turmoil in the global capital markets and widespread changes in the financial services industry.

The 2009 compensation program for the company's named executive officers adopted by the Human Resources and Compensation Committee, which we refer to as the HRC Committee, in March 2009 was intended to compensate the company's named executive officers for corporate and individual performance while ensuring that compensation arrangements do not encourage the named executive officers to take unnecessary and excessive risks. The 2009 program was designed to pay compensation through a combination of base salary, annual cash bonuses and equity awards, with most of the compensation intended to be paid through cash bonuses and equity awards.

At the beginning of 2009, the HRC Committee kept the targeted compensation levels for the named executive officers at the same levels of base salary, targeted cash bonus and total value of targeted equity awards that were established by the HRC Committee for the named executive officers for 2008. At the same time, the HRC Committee adopted a "balanced scorecard" approach to de