

Bank of New York Mellon CORP  
Form DEF 14A  
March 14, 2008

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

**SCHEDULE 14A  
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

Filed by the Registrant

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  
Section 240.14a-11(c)  
or Section 240.14a-2.

**The Bank of New York Mellon Corporation**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-12.

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

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(2) Aggregate number of securities to which transaction applies:

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

(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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**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 8, 2008

**Time:** 9:00 a.m., New York time

**Place:** 101 Barclay Street, New York, New York 10286

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

to elect 18 directors to serve on our Board until the 2009 annual meeting of stockholders and until their successors shall have been elected and qualified;

to approve our Long-Term Incentive Plan;

to approve our Employee Stock Purchase Plan;

to approve our Executive Incentive Compensation Plan;

to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2008 fiscal year;

to act on two 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 directors have fixed the close of business on February 8, 2008, as the record date for determining stockholders entitled to notice of and to vote at the meeting.

**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.

**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 14, 2008

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**THE BANK OF NEW YORK MELLON CORPORATION**  
**One Wall Street**  
**New York, New York 10286**

**PROXY STATEMENT**

Our Board of Directors solicits your proxy for our 2008 Annual Meeting of stockholders to be held on April 8, 2008 at 9:00 a.m. New York time at our offices located at 101 Barclay Street, New York, New York 10286, and any adjournment of the meeting, for the purposes set forth in the Notice of Annual Meeting.

**Who Can Vote**

Only stockholders of record of our common stock at the close of business on February 8, 2008 may vote at the Annual Meeting. On the record date, we had 1,141,830,831 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.

We began mailing this proxy statement and the enclosed proxy card on March 14, 2008 to all stockholders entitled to vote at the Annual Meeting. We have enclosed with this proxy statement our 2007 annual report to stockholders. This report contains detailed information about our activities and financial performance in 2007.

**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 officers, 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.

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 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

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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 | <b>FOR</b> the election of each nominee for director;   |
| Proposal 2 | <b>FOR</b> the approval of our Long-Term Incentive Plan;  |
| Proposal 3 | <b>FOR</b> the approval of our Employee Stock Purchase Plan;  |
| Proposal 4 | <b>FOR</b> the approval of our Executive Incentive Compensation Plan;   |
| Proposal 5 | <b>FOR</b> the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2008;   |
| Proposal 6 | <b>AGAINST</b> the approval of the stockholder proposal for cumulative voting in the election of directors; and   |
| Proposal 7 | <b>AGAINST</b> the approval of the stockholder proposal with respect to a stockholder vote on an advisory resolution to ratify the compensation of our named executive officers (which is commonly referred to as a say-on-pay proposal). |

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**

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

## **Quorum and Vote Required for Approval**

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 must be represented in person or by proxy at the meeting. Abstentions, withhold votes (in the election of directors) and broker

non-votes (which are described below) 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.

A *broker non-vote* occurs when a broker, bank or other nominee that holds our common shares for a beneficial owner returns a proxy to us but cannot vote the shares it holds as to a particular matter because it has not received voting instructions from the beneficial owner and the matter to be voted on is not routine under rules of the New York Stock Exchange, which we refer to as the NYSE rules. NYSE rules allow brokers, banks and other nominees to vote shares held by them on matters that the NYSE determines to be routine, even though the broker, bank or nominee has not received instructions from the beneficial owner of the shares. The NYSE considers the election of directors, approval of our Executive Incentive Compensation

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Plan and ratification of our independent registered public accounting firm to be routine matters. The NYSE considers the approval of our Long-Term Incentive Plan and Employee Stock Purchase Plan and the two stockholder proposals not to be routine.

*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. Directors are elected by plurality; those nominees receiving the most votes in favor of their election will be elected. Abstentions and withhold votes do not represent votes in favor of a nominee and are not counted in determining which nominees are elected. If an incumbent director fails to receive more for votes than withhold votes, the director is required to tender his or her resignation (see table below).

The following table indicates the vote required for approval of each proposal to be presented to the stockholders at the Annual Meeting and the effect of abstentions, withhold votes and broker non-votes:

Proposal	Required Vote	Effect of Abstentions, Withhold Votes and Broker Non-Votes
1. Election of directors	A plurality of the votes cast for election of each director by holders of shares of common stock entitled to vote at the Annual Meeting.	<p>Nominees receiving the most votes cast for election will be elected. Abstentions and withhold votes are not votes cast for election and are not counted in determining which directors are elected.</p> <p>Pursuant to our Corporate Governance Guidelines, in an uncontested election of directors, any incumbent director who fails to receive more for votes than withhold 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.</p> <p>The Corporate Governance and Nominating Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it. The Board will act on the Corporate Governance and Nominating Committee's recommendation no later than 90 days following the certification of the election in question. A director</p>

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.

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<b>Proposal</b>	<b>Required Vote</b>	<b>Effect of Abstentions, Withhold Votes and Broker Non-Votes</b>
2. Approval of our Long-Term Incentive Plan	Affirmative vote of a majority of the votes cast with respect to the proposal at the Annual Meeting.	Abstentions and broker non-votes are not treated as votes cast. 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.
3. Approval of our Employee Stock Purchase Plan	Affirmative vote of a majority of the votes cast with respect to the proposal at the Annual Meeting.	Abstentions and broker non-votes are not treated as votes cast. 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.
4. Approval of our Executive Incentive Compensation Plan	Affirmative vote of a majority of the votes cast with respect to the proposal at the Annual Meeting.	Abstentions are not treated as votes cast. An abstention 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.
5. Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2008	Affirmative vote of a majority of the votes cast with respect to the proposal at the Annual Meeting.	Abstentions are not treated as votes cast. An abstention 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.
6. Approval of the stockholder proposal for cumulative voting in the election of directors	Affirmative vote of a majority of the votes cast with respect to the proposal at the Annual Meeting.	Abstentions and broker non-votes are not treated as votes cast. 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.
7. Approval of the stockholder say-on-pay proposal	Affirmative vote of a majority of the votes cast with respect to the proposal at the Annual Meeting.	Abstentions and broker non-votes are not treated as votes cast. 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.

**Annual Meeting Admission**

Only stockholders and certain other permitted attendees may attend the Annual Meeting. No cameras, recording equipment, electronic devices, use of cell phones or BlackBerries, large bags or packages will be permitted in the Annual Meeting. 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.

**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



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reasonable out-of-pocket expenses. In addition, we may also use our officers and employees, at no additional compensation, to solicit proxies either personally or by telephone, Internet, letter or facsimile.

## **Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on April 8, 2008**

**A complete copy of this proxy statement and our annual report for the year ended December 31, 2007 are also available at [www.bnymellon.com](http://www.bnymellon.com).**

## **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.

## **ELECTION OF DIRECTORS**

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

## **Nominees for Election as Directors**

You are being asked to elect 18 directors to serve on our Board of Directors until the 2009 annual meeting of stockholders and until their successors have been elected and qualified. Each nominee currently serves on our Board of Directors, of which 14 are non-management directors and four serve as executive officers of our company.

Article 5 of our by-laws provides the exclusive procedures for the nomination and composition of our Board of Directors for the first three years following 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. From July 1, 2007 to the earlier of January 1, 2009 or such other date as of which Thomas A. Renyi, our executive chairman, ceases to serve as executive chairman of our Board, which we refer to as the succession date, 10 of our 18 directors will be 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 eight will be 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. From the succession date through June 30, 2010, there will be 16 directors, nine of whom will be continuing Bank of New York directors and seven of whom will be continuing Mellon directors.

During the three-year period following the merger (which ends June 30, 2010), which we refer to as the specified period, the continuing Bank of New York directors will have the 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 the continuing Mellon directors will have the exclusive authority to nominate, on behalf of the Board, directors to fill each seat previously held by a continuing Mellon director. As required by Article 5 of our

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by-laws, following the merger, we formed a Continuing Bank of New York Directors Committee, which is comprised of all the continuing Bank of New York directors, and a Continuing Mellon Directors Committee, which is comprised of all the continuing Mellon directors. Our Corporate Governance and Nominating 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 Corporate Governance and Nominating 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.

During the specified period, all vacancies on the Board created by the cessation of service of a continuing Bank of New York director will be filled by a nominee chosen by the remaining continuing Bank of New York directors and all vacancies on the Board created by the cessation of service of a continuing Mellon director will be filled by a nominee chosen by the remaining continuing Mellon directors. Directors chosen to fill vacancies will hold office for a term expiring at the end of the next annual meeting of stockholders.

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 above.

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 adopted or recommended for adoption by our stockholders by the affirmative vote of at least 75% of our entire Board.

Our by-laws provide that the affirmative vote of a plurality of the shares present and voting is required to elect a director, which means that the 18 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 2009. However, 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 Corporate Governance and Nominating Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it. The Board will act on the Corporate Governance and Nominating Committee's recommendation no later than 90 days following the certification of the election in question. 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.

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

Each of the following nominees for election as director was appointed to our Board effective July 1, 2007 in accordance with the merger agreement between Bank of New York and Mellon. At the time of his or her appointment to the Board in connection with the merger, each served as a director of either Bank of New York or Mellon. 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 and other biographical material is described below:

*Frank J. Biondi, Jr.*

Senior Managing Director, WaterView Advisors LLC

Director since 2007

Continuing Bank of New York Director

Age 63

Mr. Biondi served as a director of The Bank of New York Company, Inc. from 1995 to 2007. Mr. Biondi has served as Senior Managing Director of WaterView Advisors LLC (formerly Biondi, Reiss Capital Management LLC), an investment adviser to WaterView Partners LLC, a private equity limited partnership focused on media and entertainment, since 1999. Mr. Biondi is currently a director of Amgen, Inc., Cablevision Systems Corp., Hasbro, Inc. and Seagate Technology.

*Ruth E. Bruch*

Senior Vice President and Chief Information Officer of Kellogg Company

Director since 2007

Continuing Mellon Director

Age 54

Ms. Bruch served as a director of Mellon Financial Corporation from 2003 to 2007. Ms. Bruch has served as Senior Vice President and Chief Information Officer of Kellogg Company, a food manufacturer focusing on cereal and convenience foods, since 2006. 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.

*Nicholas M. Donofrio*

Executive Vice President, Innovation and Technology of IBM Corporation

Director since 2007

Continuing Bank of New York Director

Age 62

Mr. Donofrio served as a director of The Bank of New York Company, Inc. from 1999 to 2007. Mr. Donofrio has served as Executive Vice President, Innovation and Technology of IBM Corporation, a developer, manufacturer and provider of advanced information technologies and services, since 2005. Mr. Donofrio previously served as Senior Vice President, Technology and Manufacturing of IBM Corporation from 1997 to 2005.

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*Steven G. Elliott*

Senior Vice Chairman, The Bank of New York Mellon Corporation  
Director since 2007  
Continuing Mellon Director  
Age 61

Mr. Elliott served as a director of Mellon Financial Corporation from 2001 to 2007. Mr. Elliott has served as our Senior Vice Chairman since the merger in 2007. Prior to the merger, Mr. Elliott held the same position with Mellon Financial Corporation from 2001 to 2007.

*Gerald L. Hassell*

President, The Bank of New York Mellon Corporation  
Director since 2007  
Continuing Bank of New York Director  
Age 56

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.

*Edmund F. Ted Kelly*

Chairman, President and Chief Executive Officer of Liberty Mutual Group  
Director since 2007  
Continuing Mellon Director  
Age 62

Mr. Kelly served as a director of Mellon Financial Corporation from 2004 to 2007. 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.

*Robert P. Kelly*

Chief Executive Officer, The Bank of New York Mellon Corporation  
Director since 2007  
Continuing Mellon Director  
Age 53

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. Prior to the merger, Mr. Kelly served as 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.

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*Richard J. Kogan*

Retired President and Chief Executive Officer of Schering-Plough Corporation  
Director since 2007  
Continuing Bank of New York Director  
Age 66

Mr. Kogan served as a director of The Bank of New York Company, Inc. from 1996 to 2007. Mr. Kogan is currently a principal of The KOGAN Group LLC. Mr. Kogan previously served as President and Chief Executive Officer of Schering-Plough Corporation from 1996 to 2003 and as Chairman of Schering-Plough Corporation from 1998 to 2002. Mr. Kogan is currently a director of Colgate-Palmolive Company.

*Michael J. Kowalski*

Chairman and Chief Executive Officer of Tiffany & Co.  
Director since 2007  
Continuing Bank of New York Director  
Age 55

Mr. Kowalski served as a director of The Bank of New York Company, Inc. from 2003 to 2007. 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 is currently a director of Tiffany & Co.

*John A. Luke, Jr.*

Chairman and Chief Executive Officer of MeadWestvaco Corporation  
Director since 2007  
Continuing Bank of New York Director  
Age 59

Mr. Luke served as a director of The Bank of New York Company, Inc. from 1996 to 2007. 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 Company.

*Robert Mehrabian*

Chairman, President and Chief Executive Officer of Teledyne Technologies Inc.  
Director since 2007  
Continuing Mellon Director  
Age 66

Dr. Mehrabian served as a director of Mellon Financial Corporation from 1994 to 2007. 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. Dr. Mehrabian is currently a director of Teledyne Technologies Inc. and PPG Industries, Inc.

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*Mark A. Nordenberg*

Chancellor of the University of Pittsburgh

Director since 2007

Continuing Mellon Director

Age 59

Mr. Nordenberg served as a director of Mellon Financial Corporation from 1998 to 2007. Mr. Nordenberg has served as Chancellor of the University of Pittsburgh, a major public research university, since 1995.

*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 65

Ms. Rein served as a director of The Bank of New York Company, Inc. from 1981 to 2007. 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 to that, Ms. Rein served as President and Chief Executive Officer of Metropolitan Property and Casualty Insurance Company from 1999 to 2005. Ms. Rein is currently a director of FirstEnergy Corp.

*Thomas A. Renyi*

Executive Chairman, The Bank of New York Mellon Corporation

Director since 2007

Continuing Bank of New York Director

Age 61

Mr. Renyi served as a director of The Bank of New York Company, Inc. from 1992 to 2007. Mr. Renyi has served as our Executive Chairman since the merger in 2007. Prior to the merger, Mr. Renyi held several executive officer positions with The Bank of New York Company, Inc., including Chairman from 1998 to 2007 and Chief Executive Officer from 1997 to 2007. Mr. Renyi is currently a director of Public Service Enterprise Group, Inc.

*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 67

Dr. Richardson served as a director of The Bank of New York Company, Inc. from 1998 to 2007. 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 1995 to 2005. Dr. Richardson is currently a director of Exelon Corporation and CSX Corporation.





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*Samuel C. Scott III*

Chairman, President and Chief Executive Officer of Corn Products International, Inc.  
Director since 2007  
Continuing Bank of New York Director  
Age 63

Mr. Scott served as a director of The Bank of New York Company, Inc. from 2003 to 2007. Mr. Scott has served as Chairman (since 2001), Chief Executive Officer (since 2001) and President (since 1997) of Corn Products International, Inc., global producers of corn-refined products and ingredients. Mr. Scott has announced his intention to retire as Chairman, President and Chief Executive Officer of Corn Products International, Inc. upon selection of his successor. Mr. Scott is currently a director of Corn Products International, Inc., Motorola, Inc. and Abbott Laboratories.

*John P. Surma*

Chairman and Chief Executive Officer of United States Steel Corporation  
Director since 2007  
Continuing Mellon Director  
Age 53

Mr. Surma served as a director of Mellon Financial Corporation from 2004 to 2007. Mr. Surma has served as Chairman and Chief Executive Officer of United States Steel Corporation, a steel manufacturing company, since 2006 and 2004, respectively. 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 and Calgon Carbon Corporation.

*Wesley W. von Schack*

Chairman, President and Chief Executive Officer of Energy East Corporation  
Director since 2007  
Continuing Mellon Director  
Age 63

Mr. von Schack served as a director of Mellon Financial Corporation from 1989 to 2007. Mr. von Schack has served as Chairman, President and Chief Executive Officer of Energy East Corporation, an energy services company, since 1996. Mr. von Schack is currently a director of Energy East Corporation and Teledyne Technologies Inc.

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**BOARD MEETINGS AND BOARD COMMITTEE INFORMATION**

**Meetings**

Our current Board of Directors was appointed in connection with the merger on July 1, 2007. Since then, our Board of Directors held five meetings in 2007. Each incumbent director except Mr. Nordenberg attended at least 75% of the aggregate number of meetings of our Board and of the committees on which he or she served. Mr. Nordenberg attended a total of seven Board and committee meetings out of 10 but, because of serious illnesses in his family, he missed a single set of monthly meetings and, in this shortened, six-month reporting year, this made his attendance 70%.

This is our first Annual Meeting of stockholders. Our Corporate Governance Guidelines provide that all directors are expected to attend our Annual Meeting, including this year's Annual Meeting.

**Committees and Committee Charters**

As of July 1, 2007, our Board established several committees, including an Audit and Examining Committee, a Human Resources and Compensation Committee, a Corporate Governance and Nominating Committee, a Risk Committee, a Corporate Social Responsibility Committee, an Executive Committee and an Integration Committee. The charters of the Audit and Examining Committee, the Human Resources and Compensation Committee and the Corporate Governance and Nominating Committee are available on our website at [www.bnymellon.com/governance/committees](http://www.bnymellon.com/governance/committees). Additionally, copies of these charters are attached to this proxy statement as exhibits. 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.

Article 5 of our by-laws provides that, during the three-year period following the merger, the Human Resources and Compensation Committee will be comprised of at least five members with a number of continuing Mellon directors that is greater by one than the number of continuing Bank of New York directors on the committee, and a continuing Mellon director shall be its chair. In addition, during the three-year period following the merger, each of the Audit and Examining Committee and the Corporate Governance and Nominating Committee will be comprised of at least five members with a number of continuing Bank of New York directors that is greater by one than the number of continuing Mellon directors on the committee and a continuing Bank of New York director will be the chair of each. The following table identifies the individual members of our Board serving on each of these committees:

**Audit and Examining Committee**

Catherine A. Rein, Chairman  
Robert Mehrabian  
William C. Richardson  
Samuel C. Scott III  
John P. Surma

**Corporate Governance and Nominating Committee**

John A. Luke, Jr., Chairman  
Richard J. Kogan  
Robert Mehrabian  
Catherine A. Rein  
William C. Richardson  
John P. Surma  
Wesley W. von Schack

**Human Resources and Compensation Committee**

Wesley W. von Schack, Chairman  
Ruth E. Bruch  
Edmund F. Kelly  
Richard J. Kogan  
Samuel C. Scott III

**Audit and Examining Committee**

The Audit and Examining Committee meets as often as it deems necessary to perform its responsibilities. From July 1, 2007 through the end of 2007, the committee held seven meetings.

The Audit and Examining 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 also has direct responsibility to evaluate and, when appropriate, to remove the independent registered public accountants. The committee is also responsible for the pre-approval of all audit and permitted non-audit

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services performed by our independent registered public accountants. The committee also 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 also 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 and Examining 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. The Board has also determined that all members of the Audit and Examining 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 and have accounting or related financial management expertise as such qualification under the NYSE listing standards is interpreted by the Board.

## **Human Resources and Compensation Committee**

The Human Resources and Compensation Committee meets as often as it deems necessary to perform its responsibilities. From July 1, 2007 through the end of 2007, the committee held four 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 also 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 also reviews, evaluates and approves the total compensation of all other executive officers and makes recommendations concerning equity-based plans, which recommendations are subject to approval of our entire Board. The committee also advises and discusses with the other independent directors compensation decisions regarding our executive chairman and president and the process used by the committee.

The committee is also 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 also administers and makes awards under our various equity-based employee incentive plans and oversees certain retirement plans that we sponsor to ensure that they provide an appropriate level of benefits in a cost effective manner

to meet our needs and objectives in sponsoring such plans and are properly and efficiently administered in accordance with their terms to avoid unnecessary costs and minimize any potential liabilities to us, that our responsibilities as plan sponsor are satisfied, and that financial and other information with respect to such plans is properly recorded and reported in accordance with applicable legal requirements.

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In connection with the merger, the committee approved the delegation to our chief executive officer of responsibility for determining equity awards for certain employees who are eligible to receive grants under Bank of New York and Mellon long-term equity-based plans that we assumed in the merger. The committee also delegated to our chief executive officer the ability to approve non-material changes to benefit plans assumed in connection with the merger. The committee has also 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 new Long-Term Incentive Plan (as described in Proposal 2 below), subject to such plan's approval at the Annual Meeting. 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), and (iii) a sub-limit of shares represented by full value awards that may be granted in any calendar year (550,000).

As further described in the Compensation Discussion and Analysis section of this proxy statement, 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 or her 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, the Compensation Discussion and Analysis addresses the role of our management and its compensation consultant, Mercer LLC, and the role of the committee's compensation consultants, Towers Perrin and Frederic W. Cook & Co., in determining and recommending executive compensation.

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 listing standards.

## **Corporate Governance and Nominating Committee and Director Nominations**

Article 5 of our by-laws provides the exclusive procedures for the nomination and composition of our Board for the first three years following the merger. We refer to this three-year period, which will end on June 30, 2010, as the specified period. Under Article 5, from July 1, 2007 to the succession date (which is the earlier of January 1, 2009 or such other date as Mr. Renyi ceases to serve as our executive chairman), 10 of our 18 directors will be continuing Bank of New York directors and eight will be continuing Mellon directors. From the succession date through June 30, 2010, there will be 16 directors, nine of whom will be continuing Bank of New York directors and seven of whom will be continuing Mellon directors.

During the specified period, the continuing Bank of New York directors will have the 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 the continuing Mellon directors will have the exclusive authority to nominate, on behalf of the Board, directors to fill each seat previously held by a continuing Mellon director. As required by Article 5 of our by-laws, following the merger, we formed a Continuing Bank of New York Directors Committee, which is comprised of all the continuing Bank of New York directors, and a Continuing Mellon Directors Committee, which is comprised of all the continuing Mellon directors.

Following the merger, our Board of Directors formed our Corporate Governance and Nominating Committee, which met twice in 2007. Subject to Article 5 of our by-laws, the Corporate Governance and Nominating Committee's principal responsibilities are to assist the Board in reviewing and identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and to recommend to the Board nominees for directors for the next annual meeting of stockholders and to fill vacancies on the Board.

Subject to Article 5 of our by-laws, in carrying out its responsibilities of finding the best qualified candidates for directors, the Corporate Governance and Nominating Committee will consider proposals from a number of sources, including recommendations for nominees from stockholders submitted upon written notice to the chairman of the Corporate Governance and Nominating Committee, c/o the Office of the Secretary of The

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Bank of New York Mellon Corporation, One Wall Street, New York, New York 10286. The Corporate Governance and Nominating Committee seeks to identify individuals qualified to become directors, consistent with the criteria established by the Board for director candidates. Subject to Article 5 of our by-laws, when considering a person to be recommended for nomination as a director, the Corporate Governance and Nominating Committee will consider, among other factors, 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 Corporate Governance and Nominating 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. It is anticipated that the Corporate Governance and Nominating Committee would evaluate a candidate recommended by a stockholder for nomination as a director in the same manner that it evaluates any other nominee.

During the specified period, our Corporate Governance and Nominating Committee will consider and make recommendations to the Continuing Bank of New York Directors Committee and the Continuing Mellon Directors Committee, as appropriate, regarding nominees to the Board. The Continuing Bank of New York Directors Committee and the Continuing Mellon Directors Committee, as appropriate, will consider the recommendation of the Corporate Governance and Nominating Committee and make all nominations to the Board in accordance with Article 5 of our by-laws.

Our Corporate Governance and Nominating Committee reviews non-employee director compensation and benefits on an annual basis and makes recommendations to the Board on appropriate compensation. The committee is also 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 also oversees evaluations of the Board and committees of the Board and, unless performed by the Human Resources and Compensation Committee, our senior managers.

Finally, the Corporate Governance and Nominating 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 Corporate Governance and Nominating Committee consists entirely of directors who meet the independence requirements of the NYSE listing standards.

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

None of the members of our Human Resources and Compensation Committee is an officer or employee of our company or any of its subsidiaries. In addition, Mr. Robert Kelly did not serve on any compensation committee or any board of directors of another company, of which any of our Board members was also an executive officer.

## **REPORT OF THE AUDIT AND EXAMINING COMMITTEE**

On behalf of our Board of Directors, the Audit and Examining 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.





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Consistent with this oversight responsibility, the committee has reviewed and discussed with management the audited financial statements for the year ended December 31, 2007 and management's assessment of internal control over financial reporting as of December 31, 2007. KPMG LLP, our independent registered public accounting firm, issued its unqualified report on our financial statements and the design and 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. 114 (successor to 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 Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, 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, 2007, be included in our annual report on Form 10-K for the fiscal year then ended.

Catherine A. Rein, Chairman  
 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 and Examining Committee has appointed KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2008. 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.

In connection with the merger, our Audit and Examining Committee appointed KPMG LLP as our independent registered public accounting firm for the 2007 fiscal year commencing concurrently with the merger on July 1, 2007. As permitted by applicable SEC rules, the following table reflects the fees earned by KPMG LLP for the following types of services provided by KPMG LLP to us for the period from July 1, 2007 to December 31, 2007:

<b>Description of Fees</b>	<b>Amount of Fees KPMG LLP for July 1, 2007-December 31, 2007</b>	
Audit Fees(1)	\$	6,835,000
Audit-Related Fees(2)	\$	2,397,000
Tax Fees(3)	\$	155,000
All Other Fees	\$	0
<b>Total Fees</b>	<b>\$</b>	<b>9,387,000</b>

- (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.

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- (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.

## **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 excluded amounts included \$2.0 million for the audits of 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 in which we have an interest of 50% or less.

## **Pre-Approval Policy**

Our Audit and Examining 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 and Examining Committee that are detailed as to a particular class of service without consideration by the Audit and Examining 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 and Examining 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 and Examining 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](http://www.bnymellon.com/governance/auditpolicy). From July 1, 2007 to December 31, 2007, all of the fees associated with the independent registered public accounting firm services were pre-approved by the Audit and Examining Committee.

## **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). You may also request a printed copy by sending a written request to our Corporate Secretary at the address on the cover of this proxy statement.

### **Code of Business Conduct and Ethics**

Our Board of Directors has adopted a Code of Conduct for our company to provide a framework to maintain the highest standards of professional conduct. Through our Code of Conduct, we seek to:

promote professional and proper action in terms of our own integrity and the dignity of others;

promote honest and ethical conduct, including fair, competitive market practices, which contributes to our business by providing customers with appropriate financial services and products;

avoid potential situations in which individual personal interests may conflict with, or appear to conflict with, our company or our customers;

maintain the appropriate level of confidentiality at all times with respect to information or data pertaining to our customers, suppliers and employees;

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protect and maintain the value of our assets, including our facilities, equipment and information; and

promote honest and accurate book and record keeping in accordance with generally accepted accounting practices.

Our Code of Conduct satisfies applicable SEC and NYSE requirements and applies 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) and a copy is also attached as an exhibit to this proxy statement. You may also request a printed copy by sending a written request to our Corporate Secretary at the address listed on the cover of this proxy statement. We intend to disclose any amendments to our Code of Conduct and any waivers from the Code of Conduct for directors and executive officers, by posting such information on our website.

## **Director Independence**

Our independent directors are: Frank J. Biondi, Jr.; 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 14 independent directors out of 18 total directors, the Board has satisfied its objective that at least a majority of the Board should consist of independent directors.

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 the following categorical standards 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. Under the categorical 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 \$100,000 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 family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice, 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.

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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 (a) us and the director, and (b) 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 determinations, the Board reviewed the categorical standards listed above, the corporate governance rules of the NYSE 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 executive officers (Mr. Donofrio, Mr. Edmund Kelly, Mr. Kowalski, Mr. Luke, Mr. Nordenberg, Ms. Rein);

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 executive officers (Ms. Bruch, Mr. Donofrio, Mr. Edmund Kelly, Mr. Kowalski, Mr. Luke, Dr. Mehrabian, Mr. Nordenberg, Ms. Rein, Mr. Scott, Mr. Surma, Mr. von Schack);

Charitable contributions by us or any of our subsidiaries or by the 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 as directors, executive officers or trustees (Mr. Nordenberg, Dr. Richardson);

Investment by us in a fund advised by a company of which a director is a part-owner and executive officer (Mr. Biondi); 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 executive officers (Ms. Bruch, Mr. Donofrio, Mr. Kowalski, Mr. Luke, Dr. Mehrabian, Ms. Rein, Mr. Scott, Mr. Surma, Mr. von Schack).

**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 directors and executive officers, their affiliates and members of their immediate families. Such transactions that involved loans or extensions of credit, in each

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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.

In July 2007, we adopted a written policy regarding requirements for related person transactions, which we refer to as our related party transactions policy. Under our related party transactions policy, any transaction or series of transactions in which we or one of our subsidiaries is a participant, the amount involved exceeds \$120,000, and as to which a related person has a direct or indirect material interest that must be disclosed under SEC rules normally requires prior approval of our Corporate Governance and Nominating Committee or another Board committee consisting solely of independent directors. Any director who may have a direct or indirect interest in the transaction in question is precluded from participating in the approval of the transaction. In exigent circumstances where prior committee approval of such a transaction is impractical, the transaction may be approved by our chief executive officer and our general counsel, which decision must be submitted to our Corporate Governance and Nominating Committee or another Board committee consisting solely of independent directors at its next meeting following the approval for ratification.

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

Article 5 of our by-laws provides that for the 18-month period following the merger (January 31, 2009), our lead director will be a continuing Bank of New York director and that for the subsequent 18-month period ending on the third anniversary of the merger (June 30, 2010), the lead director will be a continuing Mellon director. After this three-year period, the lead director will be selected by a majority of the entire Board of Directors, and may not serve for more than three successive terms. The lead director will have such duties and responsibilities as may be set forth in the Corporate Governance Guidelines from time to time. Ms. Rein is our lead director.

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 must be held each year.

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.

Any interested party, including any employee, may make confidential, anonymous submissions regarding questionable accounting or auditing matters or internal accounting controls and may communicate directly with the lead director by letter addressed to:

The Bank of New York Mellon Corporation  
Church Street Station  
P.O. Box 2164  
New York, New York 10008-2164  
Attn: Lead Director

Interested parties may also send communications to the lead director by e-mail at [non-managementdirector@bnymellon.com](mailto:non-managementdirector@bnymellon.com).

A majority of our independent directors 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 and Examining Committee.

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

As of February 8, 2008, we had 1,141,830,831 shares of common stock outstanding. We know of no person who may be deemed to own beneficially more than 5% of our outstanding common stock.

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

The table below sets forth the number of shares beneficially owned as of the close of business on February 8, 2008, by each director, each named executive officer included in the Summary Compensation Table below and our current directors and executive officers as a group, 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 spouse.

<b>Name</b>	<b>Shares of Common Stock Beneficially Owned(1)(2)</b>
Frank J. Biondi, Jr.	35,864(3)
Ruth E. Bruch	15,885(4)
Nicholas M. Donofrio	23,934(5)
Steven G. Elliott	1,815,251(6)(7)
Gerald L. Hassell	2,475,978(8)(9)(10)(11)
Edmund F. Kelly	14,560
Robert P. Kelly	724,356
Richard J. Kogan	28,080
Michael J. Kowalski	19,064(12)
John A. Luke, Jr.	27,702
Robert Mehrabian	66,604(13)
Mark A. Nordenberg	29,935
Ronald P. O Hanley	566,437(6)(14)
Catherine A. Rein	87,934(15)
Thomas A. Renyi	3,933,075(8)(11)
William C. Richardson	25,077(16)
Samuel C. Scott III	17,048(17)
John P. Surma	14,310(18)
Bruce W. Van Saun	1,364,929(8)
Wesley W. von Schack	127,018(19)
All current directors and executive officers, as a group (34 persons)	18,847,752(8)

- (1) On February 8, 2008, 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 1.63% of our outstanding common 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 8, 2008, through the exercise of stock options or the potential payout of deferred share units, restricted share units, or phantom shares: Mr. Biondi, 35,864; Ms. Bruch, 14,858; Mr. Donofrio, 23,934; Mr. Elliott, 1,086,788; Mr. Hassell, 1,777,983; Mr. Edmund Kelly, 10,560; Mr. Robert Kelly, 283,433; Mr. Kowalski, 13,404; Dr. Mehrabian, 21,292; Mr. Nordenberg, 29,626; Mr. O Hanley, 194,169; Ms. Rein, 51,548; Mr. Renyi, 3,249,879; Dr. Richardson, 23,945; Mr. Scott, 13,086; Mr. Surma, 13,309; Mr. Van Saun, 1,143,815; and Mr. von Schack, 25,176.

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- (3) Represents the shares that will be paid out to Mr. Biondi in a lump sum 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.
- (4) Includes 1,036 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) Represents the 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.
- (6) On February 8, 2008, an aggregate of 469,400 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 five beneficiaries of the Trusts, including Mr. Elliott, Mr. O Hanley, and one other executive officer who is included, and two retired executive officers who are not included, in the totals for the above table. On February 8, 2008, 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 individuals and group in the above table): Mr. Elliott, 286,946 shares; Mr. O Hanley, 79,451 shares; and all directors, nominees, and executive officers as a group, 369,695 shares.
- (7) 281,972 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 purpose of this table.
- (9) Includes 56,604 shares held by Mr. Hassell's spouse, as to which Mr. Hassell disclaims beneficial ownership.
- (10) Includes 28,538 shares held in trusts over which Mr. Hassell exercises investment discretion and voting power.
- (11) Includes the following shares held by the individual in Grantor Retained Annuity Trusts: Mr. Renyi, 458,653 shares and Mr. Hassell, 188,680 shares.
- (12) Includes 13,103 shares that will be paid to Mr. Kowalski in a lump sum 60 days 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 301 shares that will be paid in a lump sum upon retirement from our Board in accordance with his election under The Bank of New York Mellon Corporation Deferred Compensation Plan for Directors.
- (13) Includes 452 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 and 39,312 shares held in a trust for which Dr. Mehrabian has investment discretion and voting power.
- (14) Includes 223 shares held by Mr. O Hanley's son, as to which Mr. O Hanley disclaims beneficial ownership.
- (15) Includes 51,548 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.

- (16) Includes 23,945 shares that will be paid to Dr. Richardson 60 days 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.
- (17) Includes 13,086 shares that will be paid to Mr. Scott 60 days 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.

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- (18) Includes 1,036 shares and 354 shares that will be paid to Mr. Surma in a lump sum upon retirement from our Board in accordance with his respective elections under the Mellon Financial Corporation Deferred Compensation Plan for Directors and The Bank of New York Mellon Corporation Deferred Compensation Plan for Directors.
- (19) Includes 1,036 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.

**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 and 4. Our merger was effective on July 1, 2007, and, under the SEC rules, all Forms 3 and 4 required to be filed in connection with the merger were due on July 3, 2007. Because of the large volume of these filings, administrative difficulties led to the incorrect or late filing of the following Forms 4: Richard F. Brueckner, a senior executive vice president, filed one Form 4 on July 6, 2007 reporting eight transactions relating to the conversion of his shares of Bank of New York common stock into our common stock in connection with the merger; Mr. Hassell filed a timely Form 4 that contained a transposition error, inadvertently resulting in incorrect information with respect to one transaction, to correct which Mr. Hassell filed an amended Form 4 on July 25, 2007; Mr. Renyi filed one Form 4 on July 5, 2007 (the next business day following the required filing date) reporting 18 transactions relating to the conversion of his shares of Bank of New York common stock into our common stock in connection with the merger; Mr. Van Saun filed one Form 4 on July 5, 2007 (the next business day following the required filing date) reporting 11 transactions relating to the conversion of his shares of Bank of New York common stock into our common stock in connection with the merger; and senior executive vice presidents Torry Berntsen, Timothy F. Keaney and Kurt D. Woetzel filed timely Forms 4 on July 3, 2007, but each Form inadvertently omitted one transaction, which were reported on amended Forms 4 on July 25, 2007.

**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, and options for such shares; meeting fees; fees for serving as a committee chairman; and fees for serving as a director of a subsidiary. 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. Our Corporate Governance and Nominating 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.

Effective with the merger on July 1, 2007, our Board adopted a policy to pay our non-management directors an annual cash retainer of \$45,000, payable in quarterly installments in advance, and a meeting fee of \$1,800 for each Board and committee meeting attended. In addition, the policy as adopted at the time of the merger provided that the chairman of each Board committee would receive an annual cash retainer of \$12,500. Our lead director, Ms. Rein, was also paid an annual cash retainer of \$10,000 in 2007 for her service as lead director.

Our Board has adopted a new policy to take effect in April 2008, which will pay our non-management directors an annual cash retainer of \$75,000, payable in quarterly installments in advance. Fees for attending Board meetings will



no longer be paid, but we will continue to pay a meeting fee of \$1,800 for each committee meeting attended. The Board's new policy also provides that the chairman of each Board committee will receive an annual cash retainer of \$15,000, except for the chairman of the Corporate Social Responsibility Committee, for whom the annual cash retainer will remain at \$12,500. In addition, the Board's new policy will

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provide non-management directors an award of restricted stock units in an amount determined by the Board. For 2008, this award will have a value equal to \$110,000 and will be awarded shortly after the Annual Meeting if the stockholders approve the Long-Term Incentive Plan described below. The units will vest one year after their award 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 restricted stock units. Mercer LLC, a compensation consultant, advised the Corporate Governance and Nominating Committee on our new director compensation policy, and the Corporate Governance and Nominating Committee recommended the 2008 director compensation policy to the full Board for approval.

We assumed in the merger the Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc. and the Mellon Elective Deferred Compensation Plan for Directors. 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 through 2007. Deferred amounts receive earnings equal to the same return as the BNY Hamilton Large Cap Equity Fund, the BNY Hamilton Intermediate Government Fund, the BNY Hamilton Money Fund and the Company Stock Fund available in 2007 under the Bank of New York Employee Savings & Investment Plan. All payments are made in cash, except that payment is made in shares of our common stock with respect to amounts allocated to the Company Stock Fund. The Bank of New York plan contains provisions for the payment of each director's account balance upon such director's termination following a change in control (as defined in the plan), retirement, death or other termination of services as a director. Under the Mellon plan, participating continuing Mellon directors continued to defer receipt of all or part of their annual retainer and fees through 2007. Each continuing Mellon director who participated in the plan for earnings in 2007 made an irrevocable deferral election in 2006. The irrevocable election in 2006 also includes the date on which the deferred compensation will be paid out (a specified year while serving on the Board, upon retirement from the Board or following retirement not to exceed age 70) and the form in which payment will be made (a lump sum or annual payments over two to 15 years). Changes can generally be made to the payment election annually subject to certain limitations. Deferred amounts may not be withdrawn from the Mellon plan prior to their elected start date, except to meet an unforeseeable financial emergency as defined under federal tax laws. Deferred amounts receive earnings based on (i) the declared rate, reflecting the return on the 120-month rolling average of the ten-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 2007 was 6.89%. Both plans are nonqualified plans, and neither plan is funded.

Although the legacy plans 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.

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The following table provides information concerning the compensation of our non-management directors for the period from July 1, 2007 (which was the first date of service on our Board) through December 31, 2007.

Name	Fees Earned or Paid in		Stock Awards \$(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)	All Other Compensation \$(4)	Total (\$)
	Cash (\$)					
Frank J. Biondi, Jr.	\$ 40,500				\$ 849	\$ 41,349
Ruth E. Bruch	52,700(1)	\$ 42,956				95,656
Nicholas M. Donofrio	48,650(1)				567	49,217
Edmund F. Kelly	45,900	42,956				88,856
Richard J. Kogan	44,100					44,100
Michael J. Kowalski	31,050(1)				310	31,360
John A. Luke, Jr.	47,850					47,850
Robert Mehrabian	64,750(1)	42,956		\$ 5,697	1,400	114,803
Mark A. Nordenberg	36,900(1)	42,956		1,431	560	81,847
Catherine A. Rein	58,950(1)				2,404	61,354
William C. Richardson	58,500				567	59,067
Samuel C. Scott III	45,900(1)				310	46,210
John P. Surma	49,500(1)	42,956		1,062	281	93,799
Wesley W. von Schack	57,550(1)	42,956		8,664	954	110,124

- (1) Elected to defer all or part of cash compensation into the Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc. or the Mellon Elective Deferred Compensation Plan for Directors, as applicable.
- (2) In April 2007, Mellon granted Ms. Bruch, Mr. E. Kelly, Dr. Mehrabian, Mr. Nordenberg, Mr. Surma and Mr. von Schack 1,929 deferred share units, which are scheduled to vest in April 2008. The amount shown represents our FAS 123R expense for the period from July 1, 2007 through December 31, 2007 for these deferred share units. Mr. Biondi, Mr. Donofrio, Mr. Kogan, Mr. Kowalski, Mr. Luke, Ms. Rein, Dr. Richardson and Mr. Scott each received a grant of 2,624 shares of Bank of New York common stock in March 2007. No amount is shown in the table for these awards because they immediately vested at grant, and therefore were fully expensed by Bank of New York before July 1, 2007.
- (3) The amounts disclosed in this column 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 Director Deferred Compensation Plan. Ms. Rein is the only current director who participates in The Bank of New York Company, Inc. Directors Retirement Plan. Participation in the plan was frozen as to participants and benefit accruals as of March 11, 1999. In 2007, there was a decrease in the present value of Ms. Rein's plan benefits in the amount of \$5,421.

- (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. Biondi, Mr. Donofrio, Mr. Kowalski, Ms. Rein, Dr. Richardson and Mr. Scott received a 5% discount on purchases of stock with deferred compensation and dividend reinvestments. The values for Dr. Mehrabian, Mr. Nordenberg, Mr. Surma and Mr. von Schack reflect the estimated cost of the legacy Mellon Directors Charitable Giving Program, which remains in effect for the continuing Mellon directors. Upon a 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 ten equal annual 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.

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Overview**

The July 1, 2007 merger combined Bank of New York's and Mellon's executive management teams and brought together different executive compensation programs in the middle of the year.

Prior to the merger, the legacy compensation committees acted in accordance with their existing compensation programs to establish base salaries and to approve cash incentive and equity grants to their executives. In addition, prior to the merger, the legacy committees considered and approved special awards and other matters related to the merger.

After the merger, our Board of Directors formed the Human Resources and Compensation Committee to oversee executive compensation matters. The new committee's primary objectives were to:

- continue to compensate our named executives for 2007 in a manner consistent with the legacy compensation programs;
- reward our executive officers for their extraordinary efforts in consummating the merger and integrating the two companies;
- retain and motivate our executives during the integration period following the merger; and
- design a new, comprehensive compensation program for our executives starting in 2008.

As a result of the actions taken by the legacy committees and the new committee, our named executives received the following types of compensation for 2007:

- base salary;
- annual cash bonus for 2007 performance;
- long-term equity awards;
- special equity awards related to the merger; and
- other elements of compensation, including perquisites and participation in supplemental retirement programs, defined benefit pension plans and deferred compensation plans.

In accordance with SEC guidance, we used compensation paid to our executive officers from July 1, 2007 through December 31, 2007 to determine our named executive officers. Although under SEC rules, we are only required to disclose information for the period after the merger, we have elected to provide information for the full year in order to provide a complete understanding of the compensation paid to our named executives. Accordingly, we discuss compensation decisions made by the legacy committees in 2007 before the merger, as well as compensation decisions made by the new committee in 2007 after the merger and in the first quarter of 2008 for 2007 performance. In addition, we discuss the compensation program the new committee has approved for 2008.



**Table of Contents****Named Executives**

The following are our named executives for 2007:

<b>Name</b>	<b>Position Prior to Merger</b>	<b>Position Following Merger</b>
Robert P. Kelly	Chairman, President and Chief Executive Officer of Mellon	Chief Executive Officer
Thomas A. Renyi	Chairman and Chief Executive Officer of Bank of New York	Executive Chairman
Gerald L. Hassell	President of Bank of New York	President
Bruce W. Van Saun	Vice Chairman of Bank of New York	Vice Chairman and Chief Financial Officer
Steven G. Elliott	Senior Vice Chairman of Mellon	Senior Vice Chairman
Ronald P. O Hanley	Vice Chairman of Mellon	Vice Chairman

**Role of Compensation Consultants**

In 2007, prior to the merger, Mercer advised Bank of New York management on target compensation levels, forms of compensation and changes to the compensation program, and the Bank of New York compensation committee engaged Frederic W. Cook & Co. to provide independent compensation advice to the compensation committee during 2007. The Mellon committee retained Towers Perrin to provide ongoing advice and counsel related to Mellon's executive compensation program prior to the merger.

After the merger, our management engaged Mercer to assist in compiling data about our appropriate peer group and the compensation practices and programs of our peers, evaluating Bank of New York and Mellon executive compensation programs and practices, and developing a new executive compensation program. Mercer also provides human resources and actuarial consulting services to us. The new committee engaged Towers Perrin and Frederic W. Cook & Co. to provide independent advice on executive compensation matters.

We address the role of management in the compensation process in the following discussion where appropriate.

**Pre-Merger 2007 Compensation Decisions**

Before the merger, the legacy committees made several decisions that established the compensation program for our named executives in 2007 and established the basis for several actions taken by the new committee. These compensation decisions were previously disclosed, to the extent required, in SEC filings made by Bank of New York or Mellon prior to, or by us following, the merger. Compensation amounts paid to the named executives as a result of these pre-merger decisions are reflected in the Summary Compensation Table and the Grants of Plan-Based Awards Table below. The following is a discussion of these pre-merger decisions.

**Pre-Merger Bank of New York 2007 Compensation Program and Related Actions**

Bank of New York's pre-merger executive compensation program was designed to reward performance, to motivate the executives to exceed corporate and strategic goals and objectives, to align the interests of executives with those of shareholders in building long-term shareholder value, to attract and retain a talented executive team in a highly

competitive marketplace and to encourage collaboration. The program consisted of base salary, annual cash incentives and long-term incentives in the form of stock options and performance shares. Approximately 90% of the total target compensation package (base salary, annual incentives and long-term incentives) for Bank of New York executives was performance-based and potentially at-risk. Of the at-risk compensation, approximately 40% represented target annual cash incentives. The remaining 60% represented target long-term incentive opportunities, the value of which was tied to the price of Bank of New York's stock. Executives were able to earn more or less than targeted opportunities based on actual corporate and individual performance.



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The committee benchmarked levels and type of compensation paid to Messrs. Renyi, Hassell and Van Saun against the following peer companies:

BB&T Corporation	Northern Trust Corporation
The Bear Stearns Companies Inc.	The PNC Financial Services Group, Inc.
Fifth Third Bancorp	State Street Corporation
Lehman Brothers Holdings Inc.	SunTrust Banks, Inc.
Mellon Financial Corporation	U.S. Bancorp
National City Corporation	Wachovia Corporation

The committee selected this peer group because it represented companies of similar business mix with a median size approximating that of Bank of New York.

In establishing executive compensation targets each year, the committee regularly compared each executive's base salary, bonus and long-term equity incentives, as well as total cash (salary and bonus) and total compensation (salary, bonus and long-term equity incentives) to the medians of the peer group. The committee also considered internal comparisons of levels of compensation among the Bank of New York executive team to ensure that the pay levels were internally consistent and equitable among our executives. The committee then set target awards based on these competitive values and internal comparisons.

Target annual cash incentives for Messrs. Renyi, Hassell and Van Saun had both corporate performance and individual performance components. The targets were approved by the Bank of New York compensation committee in March 2007 and were weighted 75% and 25%, respectively. Actual annual incentive payouts for 2007 performance were approved by the new committee, as described later in this discussion and analysis.

Bank of New York used equity awards to drive long-term financial performance, total shareholder return and stock price increase. Target award opportunities, expressed in dollars, were established in the first quarter of each year based on competitive benchmarking and internal comparisons. These opportunities were intended to achieve the committee's desired mix of short- versus long-term incentives and a competitive level of total compensation. Actual amounts earned by executives were based on corporate and individual performance.

For 2006, Bank of New York executives received 50% of their target award opportunity in performance share units at the beginning of the applicable performance year (i.e., March 2006 for performance in 2006 and later years) and 50% of their target award opportunity in stock options following the applicable performance year (i.e., March 2007 for 2006 performance). In the first quarter of 2006, the committee approved the following target stock option awards for Messrs. Renyi, Hassell and Van Saun of \$4,000,000, \$2,500,000 and \$1,950,000, respectively. In February 2007, the committee reviewed the individual performance of each of Messrs. Renyi, Hassell and Van Saun in 2006, and the committee approved the following value of the stock options granted to Messrs. Renyi, Hassell and Van Saun, effective in March 2007: \$4,400,000, \$2,750,000 and \$2,750,000, respectively. The committee elected to grant awards in amounts greater than the target due to its assessment of individual performance. The resulting dollar value was then divided by one-third of the average closing price of Bank of New York common stock between January 1, 2007 and February 15, 2007 to determine the number of options to be granted.

In view of the planned merger, the committee determined that the performance share unit component would not be an appropriate compensation award for 2007 because of the difficulty of establishing long-term goals for the new company at that time. As a result, the committee replaced the performance share portion of the long-term equity award with a combination of one-half stock options and one-half restricted stock units for Messrs. Renyi, Hassell, Van Saun and other executives effective April 2007. In determining the type of award to make to replace the performance

shares, the committee chose a replacement award that it believed would motivate executives to work in the future to increase shareholder value.

**Pre-Merger Bank of New York Special Actions**

On January 9, 2007, the independent directors of Bank of New York approved the terms of a service agreement with Mr. Renyi to provide for his service as our executive chairman for 18 months after the merger.

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A description of Mr. Renyi's service agreement is included in the Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table section below. After consulting with Frederic W. Cook & Co. and independent counsel retained by the Bank of New York committee, the committee and the other independent directors of Bank of New York determined that Mr. Renyi's service agreement was appropriate and in the best interests of Bank of New York's shareholders as part of the transition arrangements for the merger.

In addition, on January 9, 2007, the Bank of New York independent directors approved grants of options for 700,000 shares of Bank of New York common stock (which were converted into options for 660,380 shares of our common stock as a result of the merger) for Mr. Renyi, and for 500,000 shares of Bank of New York common stock (which were converted into options for 471,700 shares of our common stock as a result of the merger) for Mr. Hassell. These options were conditioned on the completion of the merger. These grants were made to recognize the key roles that the executives played in facilitating the merger. Rather than setting an intended dollar value for these awards and applying a valuation method to calculate the number of shares, the Bank of New York committee desired to grant options representing a set number of shares.

The merger agreement authorized Bank of New York to create severance and other compensation and benefit arrangements for its executive officers who would be members of our executive management team. The committee determined that these agreements were important to retain the Bank of New York executives following the merger. Accordingly, on June 20, 2007, the Bank of New York committee approved transition agreements with Messrs. Hassell and Van Saun, which became effective on July 1, 2007. These arrangements provide them with severance protections and other benefits during the three years immediately following the completion of the merger that are substantially similar to the protections provided to certain executives under Mellon's change in control severance arrangements, as amended. These agreements are described in greater detail in the Potential Payments Upon Termination or Change in Control Transition Agreements for Messrs. Hassell and Van Saun section below.

## **Pre-Merger Mellon 2007 Compensation Program and Related Actions**

The Mellon executive compensation program was designed to align the financial interests of Mellon executive officers with the interests of Mellon shareholders, to reward Mellon executives for corporate, business sector and individual performance and to create compensation arrangements that were competitive and attractive to executives.

The Mellon program consisted of base salary, annual cash bonus awards and long-term equity incentive awards. An executive who demonstrated outstanding or extraordinary individual performance was able to earn above the 75th percentile of his peer group in base salary, annual cash bonus and long-term equity awards, and an executive who demonstrated unsatisfactory individual performance would earn less than the median of his peer group.

Mellon used equity awards to drive long-term financial performance, total shareholder return and stock price increase. Under the Mellon program, a significant percentage of total executive compensation was in the form of equity-based awards. In 2006, approximately 36% to 47% of total compensation paid to Mellon executives consisted of long-term equity awards with a mix of approximately 40% stock options, 20% restricted stock and 40% performance shares. These awards were made in the first quarter of the year.

In 2007, in view of the planned merger, the committee determined that the performance share component would not be an appropriate compensation award for 2007. As a result, the committee replaced the performance share component with stock options and restricted stock for Messrs. Kelly, Elliott, O'Hanley and other executives effective February 20, 2007, such that 70% of the award was in the form of stock options and 30% of the award was in the form of restricted stock. In determining the type of award to make to replace the performance shares, the committee considered that it had made prior awards of stock options and restricted stock to Mellon executives and that the value of stock options would be directly linked to the combined company's future performance and stock price.



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The committee benchmarked levels and types of compensation paid to Messrs. Kelly and Elliott against the following peer group:

AllianceBernstein Holdings LP	KeyCorp
The Bank of New York Company, Inc.	Legg Mason Inc.
The Charles Schwab Corporation	Marsh & McLennan Companies, Inc.
DST Systems, Inc.	National City Corporation
Eaton Vance Corp.	Northern Trust Corporation
Federated Investors, Inc.	The PNC Financial Services Group, Inc.
Fifth Third Bancorp	State Street Corporation
First Data Corporation	SunTrust Banks, Inc.
Franklin Resources Inc.	T. Rowe Price Group, Inc.
Janus Capital Group, Inc.	

The committee selected this peer group because the group consisted of companies that were competitors of Mellon for business and talent; these companies were considered to be the comparators by analysts covering Mellon, the aggregate mix of the peer group companies resembled Mellon's overall business mix and Mellon's scope was closely aligned with the median of the peer group's scope measures (namely, revenue, net income, market capitalization, total assets and current assets under management).

The Mellon committee also used the following custom peer group to evaluate the compensation components and total compensation of Mr. O Hanley: American Century Investments, AMVESCAP, Barclays Global Investors, Franklin Templeton Investments, Goldman Sachs & Co., JP Morgan Chase, Legg Mason, Inc., Merrill Lynch Investment Managers, Morgan Stanley, Old Mutual Capital, Inc., PIMCO Advisors, L.P., Putnam Investments, T. Rowe Price Associates, Inc. and Trust Company of the West. The committee selected these companies for Mr. O Hanley's peer group because the peer companies conduct businesses similar to the asset management business of which Mr. O Hanley is in charge.

The committee compared each executive's base salary, bonus, and long-term equity incentives, as well as total cash (salary and bonus) and total compensation (salary, bonus and long-term equity incentives) to the medians of the relevant peer group. The committee then set base salary at the median for the relevant peer group and set targets for bonus and long-term equity incentive award opportunities at the medians for the relevant peer group.

**Pre-Merger Mellon Committee Actions Relating to Mr. Kelly**

In February, 2007, the Mellon committee established Mr. Kelly's base salary and the long-term equity components of Mr. Kelly's compensation for 2007. When the Mellon committee established these components, it reviewed the amounts and types of compensation paid to the chief executive officers included in the peer group. The committee also reviewed Mellon's and Mr. Kelly's performance in 2006, including total revenue increase of 13% (18% operating basis), net income increase of 15% (20% operating basis), total shareholder return of 26%, which was in the top quartile of Mellon's peer group (the average for the Mellon peer companies was 18% and the average for the S&P 500 was 16%), record level of assets under management (\$995 billion) and custody/administration (\$4.5 trillion), and Mr. Kelly's function as key architect and decision maker for the proposed merger. This performance was described in further detail in SEC filings by Mellon prior to the merger. The committee viewed these results, and Mr. Kelly's role and responsibility in achieving these results, as extraordinary.

The committee determined that Mr. Kelly's annual base salary would remain at \$975,000. In addition, the Mellon committee approved an equity award for Mr. Kelly with a value of \$6,200,000 in the form of a combination of stock

options and restricted stock. The Mellon committee valued the stock option portion of Mr. Kelly's equity award (which was \$4,340,000) using the lattice binomial method and the restricted stock portion (which was \$1,860,000) using fair market value in awarding the total equity award value of \$6,200,000. The total value of the award, as well as the respective values of the stock option award and the restricted stock award, was above the median values of comparable awards made by the peer group relevant to Mr. Kelly.

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The valuation methods used in determining Mr. Kelly's award were the same as those used by Towers Perrin in developing the comparative compensation data from the peer group relevant to Mr. Kelly which was presented to and considered by the committee. These valuation methods differ from the accounting expense reported for this equity award in the Summary Compensation Table and the Grants of Plan-Based Awards Table below.

The Mellon committee also approved a special award to Mr. Kelly of restricted stock units with a value of \$1,500,000. The Mellon committee made this award in light of Mr. Kelly's leadership role in the merger, and the committee's desire to motivate Mr. Kelly to succeed in integrating the two constituent companies. Under the terms of the award, up to one-third of units could vest for 2007 and up to the remainder could vest for 2008, in each case contingent on the closing of the merger, Mr. Kelly's continued employment and the satisfactory progress of the merger integration (as determined by the Integration Committee of the Board). For 2007, the Integration Committee determined that the progress of the integration was satisfactory and as a result, one-third of these restricted stock units vested on January 2, 2008 and were settled in cash.

**Pre-Merger Mellon Committee Actions Relating to Messrs. Elliott and O Hanley**

In February 2007, the Mellon committee established the base salary and the long-term equity components of Messrs. Elliott's and O Hanley's compensation for 2007. The committee determined that the annual base salaries for Messrs. Elliott and O Hanley would remain at \$675,000. In addition, the committee approved equity awards for Messrs. Elliott and O Hanley each with values of \$2,500,000 and \$5,750,000, respectively, in the form of a combination of stock options (which were \$1,750,000 and \$4,025,000, respectively) and restricted stock (which were \$750,000 and \$1,725,000, respectively).

In determining Mr. Elliott's equity award, the committee valued the stock option portion using the lattice binomial method and the restricted stock portion using a fair market value method in awarding a total equity award value to Mr. Elliott of \$2,500,000. In determining Mr. O Hanley's equity award, the Mellon committee valued the stock option portion using the Black-Scholes method and the restricted stock portion using a fair market value method in awarding a total equity award value to Mr. O Hanley of \$5,750,000. The committee elected to use the Black-Scholes method to value the stock option portion of Mr. O Hanley's award, rather than the lattice binomial method used to value the options granted to Messrs. Kelly and Elliott, because the Black-Scholes method was used to develop the comparative compensation data from the peer group relevant to Mr. O Hanley which was presented to and considered by the committee. The total value of the award, as well as the respective values of the stock option award and the restricted stock award, were above the median value of comparable awards made by the relevant peer group. As described above, these valuation methods differ from the accounting expense reported for these awards in the Summary Compensation Table and the Grants of Plan-Based Awards Table below.

When the Mellon committee established Mr. Elliott's base salary and long-term equity awards, it reviewed the amounts and types of compensation paid to comparable executives included in the peer group. The committee also reviewed Mellon's performance in 2006 (which is discussed in the Pre-Merger Mellon Committee Actions Relating to Mr. Kelly above) and Mr. Elliott's role and responsibility in contributing to those results.

When the Mellon committee established Mr. O Hanley's base salary and long-term equity awards, it reviewed the amounts and types of compensation paid to comparable executives included in his relevant peer group. The committee also reviewed the performance of Mellon Asset Management in 2006, and Mr. O Hanley's role and responsibility in achieving these results. In particular, the committee considered the following factors in making its determination, including total revenue increase of 33% and performance fees increase of 109% (both versus full year 2005), pre-tax income increase of 59% (operating basis), pre-tax margin improvement to 31% from 27%, and achievement of a record level of assets under management of \$820 billion, a 31% increase and 10% organic growth in assets under management (12 months ending December 31, 2006), which was the highest among leading U.S. asset managers. This

performance was described in further detail in SEC filings by Mellon prior to the merger.

Finally, the committee granted additional special equity awards to Messrs. Elliott and O Hanley valued at \$1,753,000 and \$831,600, respectively. These awards were composed of stock options and restricted stock and



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were made in consideration of the agreement by each of Messrs. Elliott and O Hanley to waive certain rights they had under pre-existing agreements that would have been triggered by the merger. In making the awards to Messrs. Elliott and O Hanley, the committee considered the estimated economic value of waiving the automatic vesting of unvested equity upon Mellon's change in control. The committee applied the same methods for valuing these equity awards as were used by the committee in valuing the previously described equity awards to Messrs. Elliott and O Hanley.

**Effect of Merger**

When the merger was completed on July 1, 2007, we became bound (by operation of law) by the following pre-existing agreements between the named executives, on the one hand, and Bank of New York or Mellon, on the other hand, which were modified in connection with the merger as described below:

<b>Executive</b>	<b>Name of Agreement</b>	<b>Waiver of Rights in Connection with Merger</b>
Robert P. Kelly	Mellon Change in Control Agreement, as amended	Amended his change in control agreement and employment letter agreement to eliminate his walk-away right solely in connection with the merger and to modify the Good Reason definitions within the agreements to accommodate and permit changes in his initial and future positions.
	Employment Letter Agreement, as amended	Amended his employment letter agreement to eliminate the automatic vesting of his supplemental retirement benefits that would have otherwise occurred as a result of the merger and to provide for vesting of such amounts upon his termination of employment other than for cause or by constructive discharge.
Thomas A. Renyi	Service Agreement Bank of New York Change in Control Agreement	Not applicable
Gerald L. Hassell	Transition Agreement Bank of New York Change in Control Agreement	Not applicable
Bruce W. Van Saun	Transition Agreement Bank of New York Change in Control Agreement	Not applicable
Steven G. Elliott	Mellon Change in Control Agreement, as amended	Terminated his change in control agreement with respect to the merger.
	Section 8 of Employment Agreement, as amended	Amended Section 8 of his employment agreement to provide that, for purposes of calculating supplemental retirement benefits, base salary paid and bonus award earned will be based upon the higher of (1) the highest amount paid for the final three full calendar years of his employment or (2) the average of the highest such amounts

within any three full calendar years of the final five full calendar years of his employment.

Ronald P. O Hanley

Employment Letter Agreement, as amended

Amended his change in control agreement and employment letter agreement to eliminate his walk-away right in connection with the merger and to modify the Good Reason definitions within the agreements to accommodate and permit changes in his initial and future positions.

Mellon Change in Control Agreement, as amended

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Relevant provisions of these agreements are summarized in the Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table and the Potential Payments Upon Termination or Change in Control sections below.

Similarly, as a result of the merger, we assumed (by operation of law) various pre-existing executive compensation plans and programs of Bank of New York and Mellon in which the named executives participated after the merger, including retirement plans, deferred compensation plans and long-term incentive plans.

### **Post-Merger 2007 Compensation Decisions of the New Committee**

Actions taken after the merger by the new committee relating to 2007 compensation involved the following categories of compensation, each of which is discussed below:

base salary;

annual cash bonus for 2007 performance;

performance acceleration of awards held by Messrs. Elliott and O Hanley for 2007 performance;

special equity awards granted following the merger; and

other elements of compensation, including perquisites and participation in our supplemental retirement program, defined benefit pension plan and deferred compensation plans.

#### ***Base Salary***

In 2007, we paid each named executive his base salary at the level that had been established by the legacy committees and in accordance with the agreements that we assumed in the merger. The new committee did not consider base salary increases in 2007.

#### ***Annual Cash Bonus for 2007 Performance***

Because the merger occurred in the middle of the year and to provide continuity in compensation to our executives, the new committee determined that the best approach to 2007 annual cash bonus awards was to continue the legacy compensation plans. Accordingly, the new committee determined the amount of annual cash bonus paid to Messrs. Renyi, Hassell and Van Saun under the Bank of New York management incentive compensation plan, which we refer to as the BNY MICP, and the amount of the annual cash bonus paid to Messrs. Kelly, Elliott and O Hanley for 2007 under the Mellon annual profit bonus program.

#### ***Bank of New York Annual Cash Bonus***

Under the BNY MICP, actual cash bonuses paid generally range from 0% to 150% of the target opportunity, depending on performance. Higher amounts may be paid in exceptional circumstances. Cash bonus opportunities for Messrs. Renyi, Hassell and Van Saun were based on a combination of corporate performance goals and an assessment of individual performance during the year, weighted 75% and 25%, respectively. The amount that is payable for the corporate or individual components can be paid without regard to the other — this means that each component is measured separately.

As the chief executive officer of Bank of New York, in March 2007, Mr. Renyi recommended the measures and weightings for each of Messrs. Renyi, Hassell and Van Saun. After taking these recommendations into account, the Bank of New York committee approved them. The Bank of New York committee believed these measures and weightings focused the executives' attention on increasing profitability.

The Bank of New York committee used the following corporate and individual measures for 2007:

*Corporate:* The corporate goal for 2007 was based on adjusted net income, which is the net income (prepared in accordance with generally accepted accounting principles) of Bank of New York for the first six months of 2007 and our net income (prepared in accordance with generally accepted

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accounting principles) for the six-month period from July 1, 2007 through December 31, 2007, adjusted for the after-tax effects of extraordinary items, discontinued operations, the cumulative effect of accounting changes, and special items that are material, infrequent, unbudgeted and disclosed by us or in our financial statements or the Management Discussion and Analysis section of our annual report.

	<b>Adjusted Net Income</b>
Maximum Payout of Corporate Goal	\$ 2,504 million
Target Payout of Corporate Goal	\$ 2,385 million
Threshold Payout of Corporate Goal	\$ 2,242 million

*Individual:* The individual component of the annual cash bonus will be paid in the discretion of the committee based on its evaluation of each executive's individual performance during the applicable year.

The threshold, target and maximum annual incentives, including both the corporate and individual components, approved by the Bank of New York committee were as follows:

	<b>Targeted Incentives for 2007</b>		
	<b>Threshold</b>	<b>Target</b>	<b>Maximum</b>
Thomas A. Renyi	\$ 937,500	\$ 5,000,000	\$ 7,500,000
Gerald L. Hassell	\$ 656,250	\$ 3,500,000	\$ 5,250,000
Bruce W. Van Saun	\$ 468,750	\$ 2,500,000	\$ 3,750,000

In the foregoing table, the Threshold amount represents the amount payable if we meet but do not exceed our threshold corporate adjusted net income goal.

In March 2008, the new committee approved the amounts of the annual cash bonuses paid to Messrs. Renyi, Hassell and Van Saun. Payouts for the corporate component were based on actual adjusted net income of \$2,447 million.

The new committee approved, in its discretion, the amounts of the individual component of Messrs. Renyi's, Hassell's and Van Saun's annual cash bonuses after the committee reviewed their individual performance in 2007. The new committee's review included the following steps:

Each of Messrs. Renyi, Hassell and Van Saun prepared a self-assessment, evaluating his 2007 results.

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The committee reviewed Messrs. Renyi s, Hassell s and Van Saun s self-assessments. The following table highlights key individual accomplishments from each of Messrs. Renyi s, Hassell s and Van Saun s self assessments for 2007 that were considered by the committee:

<b>Mr. Renyi</b>	<b>Mr. Hassell</b>	<b>Mr. Van Saun</b>
<p>Oversaw a highly successful merger integration effort and achieved the following:</p>	<p>Managed asset servicing, issuer services, Pershing and global payment services performance, each of which exceeded budget for 2007.</p>	<p>Drove profit growth during 2007 through a combination of factors including: global markets exceeding revenue plan by 25%, active balance sheet management through effective rate positioning, and net interest income profit improvement of over \$50 million through enhanced cash management and pricing strategies.</p>
<p>Bank of New York performed above budget during the six months prior to the merger, which enabled the delivery of a company with significant business momentum that materially supported a stronger start for the new company.</p>	<p>Gained market share in asset servicing business for pensions and financial institutions.</p>	<p>Exceeded projections by 17% for business line areas of responsibility for Bank of New York prior to the merger.</p>
<p>The merger closed on schedule without any discernable issues or problems.</p>	<p>Oversaw critical client/business line risk exposures during significant market disruptions.</p>	<p>Managed corporate tax planning that achieved an effective tax rate at the expected level.</p>
<p>All aspects of the integration process were accomplished in a timely and disciplined manner, which included establishing an integration committee, leading the project management office, and facilitating timely decisions and approvals by executive management.</p>	<p>Led weekly securities services business meetings that focused on cross-business opportunities, new initiatives and strategic responses to market developments.</p>	<p>Managed merger integration with positive results: hit all targets in each area of responsibility; integrated the balance sheets of the combined companies, as well as for the retail/corporate trust; swap transaction; harmonized capital plans and target ratios; and harmonized all accounting policies and procedures, financial reporting and external reporting.</p>
<p>Instrumental in enculturation of key executives.</p>	<p>Actively participated in affinity and diversity programs.</p> <p>Consistently communicated senior management s commitment to mentoring and advancement of diverse individuals into company senior ranks.</p>	<p>Led numerous corporate development negotiations.</p>
		<p>Organized efforts to deliver superior, transparent financial information and dialogue with investor base.</p>

Messrs. Renyi and Kelly made a presentation to the new committee regarding Messrs. Hassell s and Van Saun s performance in 2007.

The new committee considered the contents of the self-assessments together with Messrs. Renyi's and Kelly's recommendations.

The committee determined that each executive had outstanding individual performance in 2007, which was particularly remarkable in light of the challenges throughout 2007 relating to the merger and the integration.

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The committee considered the following corporate results for 2007 related to the merger:

We have had strong financial performance while meeting or exceeding all merger and integration milestones.

Revenues increased 17% and net income increased 22%.

Total shareholder return for 2007 was 19.5% and was number one among large cap (market cap greater than \$50 billion) financial companies in the U.S.

The new management team came together and adopted a new long-term strategy. We believe our culture is upbeat and healthy.

Our audit, compliance and risk management was sound throughout a treacherous market environment in 2007.

The committee then advised and discussed with the other independent directors the recommended amount of Messrs. Renyi's, Hassell's and Van Saun's annual cash bonuses.

Based on individual results that were above the targeted maximum levels and corporate results that were above target but below maximum levels, the committee then approved final total annual cash bonuses that were at the targeted maximum levels established at the beginning of 2007:

Mr. Renyi's 2007 cash incentive was \$7,500,000 consisting of a corporate performance component of \$4,872,000 and an individual component of \$2,628,000.

Mr. Hassell's 2007 cash incentive was \$5,250,000 consisting of a corporate performance component of \$3,411,000 and an individual component of \$1,839,000.

Mr. Van Saun's 2007 cash incentive was \$3,750,000 consisting of a corporate performance component of \$2,436,000 and an individual component of \$1,314,000.

Section 162(m) of the Internal Revenue Code of 1986, as amended, imposes a \$1 million limit on the amount that a public company may deduct for compensation paid to its chief executive officer and three other most highly compensated officers each year. This limitation does not apply to compensation that meets the requirements under Section 162(m) for qualifying performance-based compensation, which is compensation paid when an individual's performance meets pre-established objective goals based on performance criteria approved by the company's stockholders. We are permitted to deduct the expense of the awards made to Messrs. Renyi, Hassell and Van Saun under the BNY MICP under Section 162(m). To preserve this tax deductibility, the maximum annual incentive awards for Messrs. Renyi, Hassell and Van Saun were calculated according to adjusted net income levels lower than the goals set forth above under Corporate Adjusted Net Income Goal, and the committee then used negative discretion, which is permissible under Section 162(m), to determine the actual awards based on the goals described above.

*Mellon Annual Cash Bonus*

Mellon paid annual cash bonuses to its executives under an annual profit bonus program that was designed to pay discretionary cash bonuses based on an evaluation of various factors including corporate, business unit and individual performance for the year.



Performance objectives for Mr. Kelly were established at the beginning of 2007 after discussions between Mr. Kelly and the Mellon committee. Mr. Kelly's objectives were reviewed, revised and approved in July at the first meeting of the new committee. At the beginning of 2008, the new committee reviewed Mr. Kelly's performance in 2007. The new committee's review included the following steps:

Mr. Kelly prepared a self-assessment, commenting on his results against performance objectives. The five specific categories examined in this self-assessment were (1) financial, (2) compliance and risk management, (3) merger, (4) strategy and (5) leadership.

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Mr. Kelly's self-assessment, along with a performance assessment form, was given to each of our independent directors, who assessed Mr. Kelly's performance in 2007 and gave their input to Towers Perrin.

Towers Perrin compiled the information and prepared a summary report for review by the members of the new committee.

The new committee considered the contents of this Towers Perrin summary report.

The committee also considered highlights from Mr. Kelly's performance in 2007 including:

Delivered strong revenue growth, positive operating leverage and excellent profitability following the completion of the merger.

Revenue growth of 20% and 12% in the third and fourth quarters of 2007, respectively, compared to the prior year quarter.

Positive operating leverage year-over-year of 1,100 basis points and 450 basis points in the third and fourth quarters of 2007, respectively.

Earnings per share growth 32% and 10% for the third and fourth quarters of 2007, respectively, compared to the prior year quarter.

Continued to deliver superior shareholder value, as total return for 2007 was 19%, which ranked us number one in the U.S. and number five globally among large cap financial institutions (market cap greater than \$50 billion and excluding financial institutions in Russia and China).

Developed relationships with regulators through frequent meetings.

Established a comprehensive risk management framework to address broad risks that the company may face.

Consummated the merger according to schedule and without incident.

Created and implemented the total integration plan covering all lines of business and shared services areas.

Exceeded synergy target for 2007.

Began detailed review of 22 key businesses and communicated purpose of review to investment community.

Implemented numerous leadership initiatives and was instrumental in establishing a cohesive management team following the merger.

In addition, the committee considered Mr. Kelly's extraordinary efforts, contributions and leadership in negotiating the merger agreement; closing the merger; integrating the companies, their business and employees quickly following the merger; quickly bringing together the executive management team of the new company; generating and maintaining energy and enthusiasm for the new company; and leading the new company to exceed our own projected performance following the merger.

The new committee reported its preliminary conclusions regarding Mr. Kelly's performance evaluation and proposed bonus to the other independent directors and solicited their input before finalizing his bonus.

In March 2008, based on this review, the committee determined in its discretion to award a bonus of \$7,500,000 to Mr. Kelly.

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The amounts of Messrs. Elliott's and O'Hanley's annual cash bonuses were approved by the new committee after the committee reviewed their individual performance in 2007. The new committee's review included the following steps:

Each of Messrs. Elliott and O'Hanley prepared a self-assessment commenting on his performance in 2007 compared to performance objectives established at the beginning of the year. The following table shows the key individual accomplishments of each of Messrs. Elliott and O'Hanley in 2007 that the committee considered:

**Mr. Elliott**

**Mr. O'Hanley**

Acted as co-leader in the integration of the companies.

Led the successful integration of the company by ensuring the creation of integration plans, milestones and synergies.

Managed expenses to achieve a synergy capture that exceeded the target for 2007.

Led the asset management sector, which increased revenue by 14%, increased pre-tax income by 16% and increased assets under management by 10% over 2006.

Accomplished key strategic initiatives such as combining equity indexing businesses into Mellon Capital Management to create greater economies of scale and strengthen investment processes.

Combined fixed income and currency businesses to create a fixed income related focal point for product design, knowledge sharing and collaboration.

Expanded international presence in Korea, Taiwan, Europe, Brazil and China.

Mr. Kelly reviewed Messrs. Elliott's and O'Hanley's performance in 2007 against their 2007 objectives and recommended their bonuses to the committee after presenting a summary of their 2007 performance to the committee.

The new committee considered Mr. Kelly's recommendations together with the self-assessments.

The committee primarily considered the extraordinary efforts and contributions of the executives in 2007, which was a challenging year because of the merger and the integration of the companies, business and employees following the merger. In light of the challenges throughout 2007 relating to the merger and the integration, the committee noted that the achievements of the executives in 2007 were particularly remarkable.

The committee also considered the corporate results for 2007 listed on page 36 above.

Based on this review, the committee determined in its discretion to award a bonus of \$3,100,000 to Mr. Elliott and a bonus of \$6,500,000 to Mr. O'Hanley in March 2008.

***Performance Acceleration of Awards Held By Messrs. Elliott and O'Hanley for 2007 Performance***

Prior to 2007, Messrs. Elliott and O'Hanley received performance accelerated restricted stock (which we refer to as PARS). PARS are shares of restricted stock that will vest seven years from the date of grant. Earlier vesting, however, may occur if performance goals established by the committee are met; upon certain termination of employment, upon death or disability, or upon a change in control event.

PARS held by Mr. Elliott are corporate PARS and require both an earnings per share growth target of 12% and a return on common equity target of 20% to be met for accelerated vesting to occur. If both performance goals are met for a particular year, then the restrictions against transfer will then lapse on one-third of the amount granted. If only one of the performance goals is met or if neither of the performance goals is met, then there is no acceleration. The new committee determined that the performance goals for 2007 on the corporate PARS were met and 169,548 shares held by Mr. Elliott vested on February 21, 2008.

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Mr. O Hanley holds a combination of business unit PARS and asset management PARS. The business unit PARS provide for accelerated vesting of 18.75% of the shares for a year in which 90% or more of the annual pre-tax income goal for Institutional Asset Management is achieved, and 25% of the shares in a year for which more than 100% of such goal is achieved. In February 2008, the new committee certified that the business unit goal was achieved at above the 100% level and as a result vesting was accelerated in February, 2008 on 33% of such PARS (11,892 shares). The asset management PARS provide for accelerated vesting of 25% of the shares for a year in which 90% of the annual pre-tax income goal for the combined asset management business units is achieved, and 33% of the shares for a year in which 100% of such goal is achieved. In February 2008, the new committee certified that the asset management PARS goal was achieved at the 90% level and as a result vesting was accelerated on 25% of such PARS (11,180 shares).

We believe the PARS goals for Mr. O Hanley are substantial and meaningful, with no assurance of being achieved. In the past five years, the business unit goals have been achieved at the highest level four times and at a reduced level once. In the past five years, the asset management goals were achieved twice at the highest level, twice at a reduced level and were not achieved once.

***Special Equity Awards Granted Following the Merger***

Effective July 23, 2007, the committee granted to the named executives various special equity awards relating to the merger. The new committee approved these awards on the basis of recommendations of the committees of Mellon and Bank of New York before the merger. The following table sets forth the details relating to these awards. Additional details relating to these awards are included in the Grants of Plan-Based Awards Table and the Outstanding Equity Awards at Fiscal Year-End table below.

<b>Award</b>	<b>Recipients</b>	<b>Type of Award</b>	<b>Primary Objective</b>
Team Equity Incentive Awards	Messrs. Van Saun and O Hanley	Restricted Stock Units (award value of \$4,250,000) and Restricted Stock (award value of \$7,575,000)	To retain key executives and create incentives for them to collaborate to increase the value of our stock. In the case of Mr. O Hanley, his team equity incentive award was also made as part of the consideration for his agreeing to waive certain of his change in control rights in connection with the merger.
Special Stock Option Award	Mr. Elliott	Stock Options (award of 470,000 options)	To retain Mr. Elliott during the integration process and create a special incentive for him to increase the value of our stock.

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<b>Award</b>	<b>Recipients</b>	<b>Type of Award</b>	<b>Primary Objective</b>
Replacement Equity Awards	Messrs. Renyi, Hassell and Van Saun	Restricted Stock and Stock Options (see Grants of Plan-Based Awards Table below for award values)	To replace performance share units that were originally granted to Messrs. Renyi, Hassell and Van Saun by the Bank of New York compensation committee in March 2006 and that were still outstanding at the time of the merger, the new committee took the following actions recommended by the Bank of New York compensation committee: (1) The performance period that covered 2006-2007 was earned based on performance through June 30, 2007 and the earned shares were replaced with restricted stock units of Bank of New York Mellon, and (2) the performance period that covered 2006-2008 was deemed half earned based on performance through June 30, 2007 and half the shares for that performance period were earned and replaced with restricted stock units of Bank of New York Mellon with the remaining unearned half replaced with a combination of Bank of New York Mellon restricted stock units and stock options.
Replacement Equity Awards	Messrs. Kelly, Elliott and O Hanley	Restricted Stock and Stock Options (see Grants of Plan-Based Awards Table below for award values)	To replace certain performance share grants previously awarded to the named executives by Mellon, which were terminated in accordance with their original terms as a result of the merger. These awards were given in order to provide the executives the opportunity to earn that which could not be earned as a result of the early termination of the performance period.

***Other Elements of 2007 Compensation***

In connection with the merger, we also assumed (by operation of law) and elected to continue for the remainder of 2007 several other Bank of New York and Mellon compensation arrangements in which our named executive officers participated prior to the merger. These arrangements include the following:

*Perquisites.* We continued to provide the same kinds and levels of perquisites to the named executives that they received from Bank of New York or Mellon before the merger. Details relating to the types of perquisites and amounts paid are included in footnote 4 to the Summary Compensation Table below. As noted below, as part of its review of the Bank of New York and Mellon compensation programs, the committee decided to significantly reduce the number of perquisites offered to executives.



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*Supplemental Retirement Program.* As a result of the merger, we assumed existing agreements between any named executive and Bank of New York or Mellon and existing plans relating to supplemental retirement benefits. Details relating to each program are included in the Retirement Plans section, below. As further discussed below, the Bank of New York supplemental retirement plan is closed to new participants.

*Defined Benefit Pension Plan.* As a result of the merger, we also assumed qualified and nonqualified pension plans from Bank of New York and Mellon in which our named executives continued to participate. Details relating to each plan are included under the Retirement Plans section below.

*Deferred Compensation Plans.* As a result of the merger, we assumed Mellon's elective deferred compensation plan. Further details are provided in the Nonqualified Deferred Compensation section, below.

## **Compensation Decisions Relating to 2008**

### ***Overview***

The new committee designed and adopted a total compensation program for named executives starting in 2008. The goal of the new program is to create long-term value for our stockholders, retain talented executives during the integration following the merger and link the interests of our executives directly with the interests of our stockholders by basing a significant portion of their compensation on our short- and long-term performance and increases in stockholder value. Our chief executive officer, Mr. Kelly, played a key role in helping the new committee design the new plan. At the beginning of the process, Mr. Kelly met with the new committee to develop key objectives of the new plan, and Mr. Kelly's strategic objectives for executive compensation were an important factor considered by the new committee in designing the plan that it ultimately adopted. These objectives are:

directly linking executive compensation to corporate, business unit and individual performance;

establishing performance goals that reflect how we build value for stockholders and how we perform against our competitors;

making executive compensation easy to understand;

making total compensation opportunities transparent to participants; and

reflecting best practices as they evolve.

### ***Benchmarking***

The new committee believes that a key element of constructing a successful executive compensation program is to ensure our total compensation opportunity is competitive with total compensation opportunity made available to the executives of our competitors. Accordingly, one of the first decisions that the new committee made after the merger was to determine an appropriate peer group of companies to use for benchmarking our executive compensation program. During the fall of 2007, management worked closely with Mercer in developing the peer group of our competitors. In determining our appropriate peer group, management considered companies that compete with one or more of our business units or which compete with us for executive talent. The new committee, after consulting with its advisors, Towers Perrin and Frederic W. Cook & Co., determined that the following 12 companies are our appropriate peers for



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compensation purposes and reflect a balanced mix of financial institutions and asset managers with diversified financial and investment banking representation:

AllianceBernstein Holdings LP	The PNC Financial Services Group Inc.
BlackRock Inc.	Prudential Financial Inc.
JP Morgan Chase	State Street Corporation
Legg Mason Inc.	SunTrust Banks, Inc.
Lehman Brothers Holdings Inc.	U.S. Bancorp
Northern Trust Corporation	Wachovia Corporation

Our management used compensation data from our peer group to assess the competitiveness of the amount and form of each element of compensation and to provide data to the new committee to determine best compensation practices among our peers.

***Elements of Compensation in 2008 Plan***

For 2008, our executives will receive base salary, annual cash bonus, long-term equity awards and other benefits under the new plan. For the chief executive officer and president, we target pay at the median of the peer group although our revenues and market capitalization currently exceed median levels. Significant upside is provided for strong performance and significant downside for poor performance. For other executives, target positioning may vary by individual executive based on their individual roles and responsibilities, the ability to attract and retain certain positions taking into consideration comparable positions in their particular markets, and the importance of a specific function within the company. Similarly, upside and downside leverage is provided for these executives as well. Accordingly, under the new plan, the new committee generally intends to provide approximately 60% of our chief executive officer's compensation in the form of equity awards and approximately 40% of his total compensation in cash. The new committee generally intends to pay the other named executives a range of 40% to 50% of their total compensation in equity awards and the remaining 60% to 50% in cash. The new committee believes that this structure will help tie the interests of our named executives closely with the interests of our stockholders.

***Base Salary***

A relatively small portion of our named executives' cash compensation for 2008 will be base salary. The new committee intends to review base salaries of our named executives in 2008.

***Annual Cash Bonus***

Before the merger, the Bank of New York compensation program included an annual cash incentive plan that was designed to reward named executives and other executive officers for corporate and individual performance (as well as business unit performance if appropriate) during an applicable year and for bonus awards to be tax deductible under Section 162(m). As part of its review, the new committee decided to continue this approach of having bonuses based on corporate and individual performance, as well as business unit performance, as appropriate, in addition to having cash bonuses paid under a plan which would permit the company to deduct the expense related to awards under Section 162(m) beginning for plan year 2008. Corporate performance will be based on earnings per share growth. This new plan is being presented for stockholder approval in this proxy statement. See Approval of the Executive Incentive Compensation Plan below for further details on this new plan.

***Long-Term Equity Awards***

The new committee made the policy determination that, starting with 2008, all equity related awards will be made in each fiscal year without attributing part of the award to performance in another year. All equity awards that the new committee makes in 2008 will be described in our proxy statement for our 2009 annual meeting.

Long-term equity incentive awards are a key element of our comprehensive compensation program. Our long-term incentives are designed to align a significant portion of our named executives' compensation with

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increases in our stock price over a multiple-year period. To achieve this objective, the new committee has designed our long-term equity awards in the form of a combination of 75% stock options and 25% performance shares for 2008. Performance shares will be earned based on relative performance of total shareholder return over a three-year measurement period.

In addition, the new committee approved a new long-term equity plan, which is being submitted for stockholder approval at this Annual Meeting. See [Approval of the Long-Term Incentive Plan](#) below for further details on this new plan.

***Perquisites***

As part of its review of the Bank of New York and Mellon compensation programs, the committee decided to significantly reduce the number of perquisites offered to executives. These changes will be finalized in 2008 and will be described in further detail in our proxy statement for our 2009 annual meeting.

***New Compensation Programs***

As part of its review of the Bank of New York and Mellon compensation programs and its research of best practices, the new committee adopted a new nonqualified deferred compensation program to be effective in 2008 for bonuses paid in 2009 for Messrs. Renyi, Hassell and Van Saun. Messrs. Kelly, Elliott and O Hanley continue to be eligible to participate in an existing deferred compensation program in which legacy Mellon executives had previously participated.

**Stock Ownership and Retention Requirements**

In March 2008, the new committee adopted stock ownership guidelines for our named executives to align the interests of our executives with the long-term interests of our stockholders. The guidelines for the named executives are as follows:

<b>Executive</b>	<b>Ownership Guideline (Multiple of Salary)</b>	<b>Retention Guideline</b>
Robert P. Kelly	25x	50%
Thomas A. Renyi	15x	50%
Gerald L. Hassell	15x	50%
Bruce W. Van Saun	10x	50%
Steven G. Elliott	10x	50%
Ronald P. O Hanley	10x	50%

Compliance with the stock ownership guidelines will be phased in over a five-year period. For purposes of determining an executive's ownership stake, we include shares owned outright, unvested restricted shares, deferred share units and shares held in our employee stock purchase and retirement plans. Unvested performance shares and unexercised stock options are not counted toward compliance with this guideline.

Executives will also be required to retain 50% of the net after-tax shares that the executive receives from exercises of stock options, vesting of restricted shares and payment of other long-term equity awards during the executive's tenure

with us. The guidelines permit certain sales to allow for diversification five years before retirement.

**Change in Control Arrangements**

Each named executive officer has a change in control agreement with us, which we describe in detail in the Potential Payments Upon Termination or Change in Control section below. In addition, as noted above, Messrs. Hassell and Van Saun have additional rights with respect to a change in control under their transition agreements, which we also describe in detail in the Potential Payments Upon Termination or Change in Control section below. We believe that these arrangements support our ability to attract and retain superior executive talent and, if a change in control were to occur, to retain our top executives through a period of

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uncertainty, enhance our value by keeping our management team intact, preserve the neutrality of the management team in negotiating and executing a transaction and keep the management team focused on the best interests of the stockholders, rather than their own job security. In 2008, the new committee will review these arrangements.

**Financial Results**

Financial results expressed in the foregoing Compensation Discussion and Analysis are continuing operations on a pro forma combined basis. Year-over-year growth rates exclude intangible amortization, merger and integration expenses and other items detailed in our Quarterly Earnings Summary documents for the third and fourth quarters of 2007, which are available on our website at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations). 2006 earnings per share represent continuing operations for Bank of New York and are only exchange ratio adjusted.

**REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE**

The Human Resources and Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis section of this proxy statement with management. Based on this review and discussion, the Human Resources and Compensation Committee recommended to our Board of Directors that the Compensation Discussion and Analysis section be included in our Annual Report on Form 10-K and in this proxy statement.

Wesley W. von Schack, Chairman  
Ruth E. Bruch  
Edmund F. Kelly  
Richard J. Kogan  
Samuel C. Scott III

**Table of Contents****EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table shows the compensation of our principal executive officer and principal financial officer, as well as our four most highly compensated executive officers (other than our principal executive officer and principal financial officer) as of December 31, 2007. References throughout this proxy to our named executive officers or named executives refer to each of the individuals named in the table below. In accordance with SEC rules, in determining our four most highly compensated executive officers, we used compensation paid to our executive officers from July 1, 2007, which was the effective date of the merger, through December 31, 2007. However, we have included compensation information for all of 2007 in the Summary Compensation Table and other compensation tables to provide a complete understanding of the total compensation that the named officers earned in 2007.

						Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation(4)	Total Compensation
Year	Salary	Bonus	Stock Awards(2)	Option Awards(2)			Earnings(3)		
P. Executive	2007	\$ 975,000	\$ 7,500,000	\$ 3,604,557	\$ 2,090,700	\$	\$ 4,286,296	\$ 1,661,227	\$ 20,000,000
A.	2007	1,000,000	2,628,000	6,723,901	6,704,758	4,872,000		235,746	22,000,000
(1) L.	2007	800,000	1,839,000	2,722,817	1,973,047	3,411,000	773,913	234,545	11,000,000
(1) V. N erman	2007	650,000	1,314,000	2,840,606	1,303,777	2,436,000	186,339	184,978	8,000,000
ncial									
G.	2007	675,000	3,100,000	7,207,626	2,596,330		5,741,433	428,846	19,000,000
ce (1) P. EY erman	2007	675,000	6,500,000	2,953,168	1,256,476		93,499	25,778	11,000,000



- (1) Messrs. Kelly, Renyi, Hassell and Elliott also serve as directors. They do not receive any additional compensation for this service.
- (2) Computed in accordance with Financial Accounting Standards No. 123 (as revised in 2004), which we refer to as FAS 123R, using the assumptions underlying the valuation of equity awards set forth in footnote 19 of the consolidated financial statements in our annual report on Form 10-K for the year ended December 31, 2007 or for awards made prior to July 1, 2007, according to the assumptions of each predecessor company, as reported in their respective annual reports on Form 10-K for the year ended December 31, 2006. Under FAS 123R, our compensation cost relating to a stock or option award is generally recognized over the period of time in which the named executive officer is required to provide service to us in exchange for the award.
- (3) The amount disclosed in this column represents (i) the amount of increase in the present value of the executive's accumulated pension benefit and (ii) 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 Elective Deferred Compensation Plan for Senior Officers. Messrs. Renyi, Hassell and Van Saun did not participate in a deferred compensation program in 2007. The total amount disclosed for Messrs. Kelly, Elliott and O Hanley is divided as follows: Mr. Kelly: increase in present value of accumulated benefit, \$4,286,296 and above-market nonqualified deferred compensation earnings, \$0; Mr. Elliott: increase in present value of accumulated benefit, \$5,649,971 and above-market nonqualified deferred compensation earnings, \$91,462; and Mr. O Hanley: increase in present value of accumulated benefit, \$62,936 and above-market nonqualified deferred compensation earnings, \$30,563. The increase in present value of

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accumulated benefit for Mr. Renyi is negative \$1,113,006 (this negative amount is not reflected in the amount disclosed above for Mr. Renyi).

(4) The following table sets forth a detailed breakdown of the items which comprise All Other Compensation :

Name	Perquisites and Other Personal Benefits	Contributions to Defined Contribution Plans	Insurance Premiums	Tax Reimbursements	Total
	ROBERT P. KELLY	\$ 1,211,803	\$ 10,125	\$ 1,306	
THOMAS A. RENYI	171,448	14,453	49,845		235,746
GERALD L. HASSELL	203,070	13,587	17,888		234,545
BRUCE W. VAN SAUN	162,741	12,938	9,299		184,978
STEVEN G. ELLIOTT	319,458	10,125	4,151	95,112	428,846
RONALD P. O HANLEY	12,915	10,125	2,104	634	25,778

The following is a description of the items comprising perquisites and other personal benefits for each named executive officer for whom a value is disclosed in the table above: Mr. Kelly: financial planning services (\$66,748), relocation from his former residence in Pittsburgh to New York (\$845,696), personal automobile and related expenses (\$16,330), use of company car and driver (\$178,879), personal use of corporate aircraft (\$84,711), home security (\$1,940), parking (\$4,669) and amounts paid in respect of club memberships (\$12,830); Mr. Renyi: use of company car and driver (\$171,050) and home security (\$398); Mr. Hassell: use of company car and driver (\$193,813) and personal use of corporate aircraft (\$9,257); Mr. Van Saun: use of company car and driver (\$162,741); Mr. Elliott: financial planning services (\$11,470), allocation of expenses for time not spent at apartment in New York, which is provided by us for business use (\$149,090), personal automobile and related expenses (\$11,915), use of company car and driver (\$119,175), personal use of corporate aircraft (\$7,854), home security (\$989), parking (\$3,180), amounts paid in respect of club memberships (\$15,106) and medical physical examination (\$679); Mr. O Hanley: personal automobile and related expenses (\$1,710), parking (\$3,660) and amounts paid in respect of club memberships (\$7,545).

The amounts identified in the contributions to defined contribution plans column represents matching contributions under our 401(k) plans. In addition, for each of Messrs. Renyi, Hassell and Van Saun, the amounts identified in this column also include annual allocations under the Bank of New York Employee Stock Ownership Plan (\$4,328, \$3,462 and \$2,813, respectively).

The amounts identified in the insurance premiums column for Messrs. Kelly, Elliott and O Hanley are comprised of two separate insurance-related payments: amounts paid by us for umbrella insurance coverage (Mr. Kelly: \$1,306; Mr. Elliott: \$1,306; Mr. O Hanley: \$884) and a cash bonus paid equal to the respective executives imputed income under the Mellon Senior Executive Life Insurance Plan (Mr. Kelly: \$0; Mr. Elliott: \$2,845; Mr. O Hanley: \$1,220). The amounts identified for Messrs. Renyi, Hassell and Van Saun are also comprised of two separate insurance-related payments: taxable payments made by us for universal life insurance policies (Mr. Renyi: \$45,480; Mr. Hassell: \$14,650; Mr. Van Saun: \$6,820) and premiums for long-term disability insurance (Mr. Renyi: \$4,365; Mr. Hassell: \$3,238; Mr. Van Saun: \$2,479).

The amounts identified in the tax reimbursements column represent the following: for Mr. Kelly, the tax gross-up amount paid by us with respect to perquisites, the majority of which relate to Mr. Kelly's relocation expenses; for Mr. Elliott, the tax gross-up amount paid by us with respect to additional personal tax expenses incurred in connection with his working in our New York City office and other perquisites; and for Mr. O Hanley the tax gross-up amount paid by us with respect to his excess liability insurance premiums.

Each amount disclosed in the table above as a perquisite and other personal benefit represents the aggregate incremental cost to us of the particular item being described. The dollar amount associated with personal use of our corporate aircraft was calculated by multiplying the direct hourly operating cost for use of the aircraft by the number of hours of personal use. We calculated the direct hourly operating cost by adding up the total amount spent by us for fuel, maintenance, landing fees, travel and catering associated with the use of corporate aircraft in 2007 and divided this number by the total number of flight hours logged in 2007. Also

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included in the calculations of dollar amounts associated with personal use of our aircraft are overnight expenses incurred by flight crew during personal use. The dollar amounts identified in connection with personal automobile and related expenses include depreciation of the vehicle and the amount we paid for fuel, maintenance and repairs of the vehicle, automobile insurance, and other vehicle related expenses. These dollar amounts reflect the aggregate cost to us without deducting any costs attributable to the business use of the vehicle. The dollar amounts identified in connection with use of the company car and driver for each of Messrs. Kelly, Renyi, Hassell, Elliott and Van Saun include the compensation and benefits we provided to the driver, depreciation of the vehicle, the amount we paid for parking, fuel, maintenance and repairs of the vehicle, automobile insurance and other vehicle related expenses. These dollar amounts reflect the aggregate cost to us without deducting costs attributable to the business use of the vehicles and drivers.

**Grants of Plan-Based Awards Table**

The following table shows the details concerning the grant of any equity-based compensation to each named executive officer during 2007. In the case of Messrs. Kelly, Elliott and O Hanley, each of the equity grants described below was made under the Mellon Long-Term Profit Incentive Plan (2004). Except as described in the footnotes below, in the case of Messrs. Renyi, Hassell and Van Saun, each of the non-equity awards described below was made under the 2004 Bank of New York Management Incentive Compensation Plan and each of the equity awards described below was made under the 2003 Bank of New York Long-Term Incentive Plan.

Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock	All Other Option	Exercise or Base Price of Option Awards (\$)
	Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Awards: Number of Shares of Stock or Units (#)	Awards: Number of Securities Underlying Options (#)	
2/20/2007								483,835(3)	\$ 45.97
2/20/2007							40,461(4)		
2/20/2007						32,630(5)			
7/23/2007								76,668(6)	44.59
7/23/2007							19,167(6)		
	\$ 937,500	\$ 5,000,000	\$ 7,500,000						
3/13/2007								305,667(3)	\$ 40.40

4/02/2007				45,991(7)		
4/02/2007					137,972(7)	42.83
6/29/2007					660,380(8)	43.93
7/23/2007				85,472(9)		
7/23/2007				39,340(10)		
7/23/2007				14,363(10)		
7/23/2007					57,452(11)	44.59
8/03/2007				82(17)		
11/05/2007				76(17)		

\$ 656,250    \$ 3,500,000    \$ 5,250,000

3/13/2007					191,042(3)	\$ 40.40
4/02/2007				28,727(7)		
4/02/2007					86,180(7)	42.83
6/29/2007					471,700(12)	43.93
7/23/2007				53,208(9)		
7/23/2007				24,481(10)		
7/23/2007				8,974(10)		
7/23/2007					35,896(11)	44.59
8/03/2007				51(17)		
11/05/2007				47(17)		

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Committee Action Date	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$)	C Pr C I
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
		\$ 468,750	\$ 2,500,000	\$ 3,750,000							
	3/13/2007								191,042(3)	\$ 40.40	\$
	4/02/2007							22,406(7)			
	4/02/2007								67,217(7)	42.83	
	7/23/2007							41,604(9)			
	7/23/2007							19,245(10)			
	7/23/2007							7,005(10)			
	7/23/2007								28,020(11)	44.59	
	7/23/2007							95,313(13)			
	8/03/2007							587(17)			
	11/05/2007							541(17)			
	2/20/2007								195,095(3)	\$ 45.97	\$
	2/20/2007							16,315(4)			
	2/20/2007								16,876(14)	45.97	
	2/20/2007							34,320(14)			
	7/23/2007								470,000(15)	44.59	

007	7/23/2007		37,696(6)	44.59
007	7/23/2007		9,424(6)	
007	2/20/2007		387,489(3)	\$ 45.97
007	2/20/2007		37,524(4)	
007	2/20/2007		8,006(14)	45.97
007	2/20/2007		16,281(14)	
007	7/23/2007		169,881(16)	
007	7/23/2007		21,596(6)	44.59
007	7/23/2007		5,399(6)	

- (1) With respect to awards under Mellon equity incentive plans, if Mellon's compensation committee approved awards in a month that quarterly corporate earnings were being announced, then the date of grant of the awards was two business days after earnings were announced. If the committee approved awards in a month that quarterly earnings were not being announced, then the date of grant was the date the committee approved the award. With respect to awards under the 2003 Bank of New York Long-Term Incentive Plan, pursuant to a policy approved by its compensation committee in 2006, stock options approved on February 20, 2007 were granted on March 13, 2007, the date of its March board meeting, and had an exercise price equal to the closing price of the Bank of New York's shares on the NYSE that day. In addition, under that policy, all regular annual equity awards would be granted and priced on March 13, 2007. With respect to the grants made on July 23, 2007, the grants became effective two business days after earnings were announced.
- (2) Represents threshold, target and maximum amounts that can be paid for performance during 2007 under 2004 Bank of New York Management Incentive Compensation Plan.
- (3) Stock options that vest in equal installments over a five-year period from the date of grant, contingent upon continued employment through the vesting date (with the exception of the stock options for Messrs. Renyi, Hassell and Van Saun, which vest in equal installments over a three-year period).
- (4) Restricted stock that will vest at the end of three years from the date of grant if the executive remains employed by us. Restricted shares represent shares of our common stock that have transfer restrictions until they vest. Restricted shares cannot be sold during the period of restriction. During this period, dividends on the restricted shares are paid to the executives and the executives have the ability to vote the shares.
- (5) Special grant of restricted stock units under an individual arrangement conditioned on (1) the closing of the merger, (2) the satisfactory progress of the integration (as determined by the Integration Committee of the Board) and (3) Mr. Kelly's continued service through the vesting dates. One-third of the restricted

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stock units vested on January 2, 2008 and, subject to satisfaction of these conditions, up to two-thirds will vest on December 31, 2008. Upon vesting, the restricted stock units were settled, and the remaining restricted stock units when vested will be settled, in cash based on the per share value of the common stock on the vesting date.

- (6) Combination of restricted share units and stock options that will vest on December 31, 2008 contingent upon continued employment subject to earlier vesting if terminated without cause within three years following a change in control after the grant date. Dividend equivalents on restricted share units will be paid the same as the Dividend Reinvestment Plan and held in escrow until vesting occurs, at which the executive will be paid out according to what, if any, amount has vested.
- (7) Combination of restricted share units and stock options. Restricted share units vest on April 2, 2010. Stock options vest in equal installments over three years. All awards are contingent upon continued employment, except in the event that the executive terminates his employment due to retirement, disability, death, or involuntary termination accompanied by a general employment release acceptable to us, in which case a pro rata portion of the executive's award will vest as of the termination date.
- (8) Special stock option granted immediately before the merger. Stock option will expire 10 years after the grant date. The option will vest 18 months after the completion of the merger, or sooner if (1) our Board terminates Mr. Renyi's employment other than for cause, (2) Mr. Renyi leaves with the consent of our Board or (3) Mr. Renyi dies or becomes permanently disabled, in which case the special option will terminate after three years (or at the end of its original term, if earlier). The option will be forfeited if Mr. Renyi terminates his employment within 18 months of the merger without consent of our Board. The option will be forfeited immediately upon a termination of employment for cause, and the vested portion of the option will immediately cease to be exercisable upon a breach of the applicable restrictive covenants under Mr. Renyi's service agreement. Certain gains recognized from the exercise of this option grant are subject to a clawback in the event of Mr. Renyi's termination for cause or a breach of the restrictive covenants.
- (9) Restricted share units that will vest on March 31, 2008, contingent upon continued employment, vesting earlier if employment is terminated without cause or for good reason or due to death or disability. Restrictions will lapse upon a change in control. If the executive retires, restrictions will lapse either on a pro rata basis or in full, depending on the executive's age. Dividend equivalents are paid.
- (10) Restricted share units that will vest on March 31, 2009, contingent upon continued employment. Vesting will occur earlier if employment is terminated without cause or for good reason as a result of death or disability. Restrictions will lapse upon the occurrence of a change in control. If the executive retires, restrictions will lapse, either on a pro rata basis or in full, depending on the executive's age. Dividend equivalents are paid, except with respect to the restricted share unit awards to Mr. Renyi in the amount of 14,363, Mr. Hassell in the amount of 8,974 and Mr. Van Saun in the amount of 7,005, in which case, dividends accrue on those grants.
- (11) Stock options vest on March 31, 2009, contingent upon continued employment, subject to earlier pro rata vesting if employment is terminated without cause or for good reason or due to death or disability. Term is ten years. Stock options will vest upon a change in control. If the executive retires, stock options will vest either on a pro rata basis or in full, depending upon the executive's age. In addition, Mr. Van Saun's stock option will fully vest if he exercises certain special termination rights under his transition agreement.
- (12) Special stock option grant that was made immediately before the merger. Option will expire 10 years after the grant date. One-third of the option will vest on the first anniversary of the merger and the remainder will vest in pro rata monthly installments over the following two years, or sooner if (1) our Board terminates Mr. Hassell's employment without cause, (2) Mr. Hassell leaves with the consent of our Board or (3) Mr. Hassell dies or



becomes permanently disabled, in which case the special option will terminate after three years (or at the end of its original term, if earlier). The unvested portion of the option will be forfeited if Mr. Hassell terminates his employment within three years of the merger without the

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consent of our Board. The option will be forfeited immediately upon a termination of employment for cause, and the vested portion of the option will immediately cease to be exercisable upon a breach of the applicable restrictive covenants under Mr. Hassell's transition agreement. Certain gains recognized from the exercise of this option grant are subject to a clawback in the event of Mr. Hassell's termination for cause or a breach of the restrictive covenants.

- (13) Restricted share units that will vest on July 1, 2010 or, if earlier, upon Mr. Van Saun's termination of employment by reason of death, disability, resignation for good reason or termination other than for cause. Awards are also subject to conditions relating to non-solicitation of employees and customers following a termination of employment and require advance notice to us of any voluntary termination of employment that would occur within a specified period surrounding July 1, 2010, and any failure to comply with such conditions would require repayment of the award to us. The restrictions will lapse upon a change in control, and the restrictions will also lapse on a pro rata basis if Mr. Van Saun exercises certain special termination rights under his transition agreement.
- (14) Special award of stock options and restricted stock made in connection with waivers executed in connection with the merger and that will vest on July 1, 2010, subject to earlier vesting in the event of termination by reason of death, disability, resignation for good reason or termination other than for cause or if a change in control event occurs and the executive's employment is terminated within three years without cause or by the executive with good reason. In addition, in Mr. Elliott's case, options and shares may vest earlier upon Mr. Elliott's retirement with the consent of our Board. Options will expire ten years after the grant date.
- (15) Special stock option award that will vest ratably over three years from the date of grant, subject to earlier vesting in the event of a termination of Mr. Elliott's employment by us without cause, by constructive discharge or upon his retirement with our consent, and will be exercisable for a 10-year term.
- (16) Restricted stock that will vest on a pro rata basis from the date of grant to July 1, 2010, if Mr. O'Hanley remains employed by us until July 1, 2008 and has attained at least age 55 upon termination. In addition, all shares of the restricted stock will immediately vest upon a change in control.
- (17) Represents restricted unit grants resulting from accrued dividends.
- (18) Price used in determining the August 3, 2007 and November 5, 2007 restricted unit grants resulting from accrued dividends is the 30-day average price.

## **Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table**

### ***By-law Provision Regarding Messrs. Kelly, Renyi and Hassell***

Article 5 of our by-laws provides that Mr. Renyi will serve as our executive chairman, Mr. Kelly will serve as our chief executive officer and Mr. Hassell will serve as our president until the succession date. Mr. Kelly will be the successor to Mr. Renyi as our chairman after the succession date. In addition, Article 5 requires an affirmative vote of at least 75% of the Board to (i) remove or fail to reelect Messrs. Kelly, Renyi and Hassell during the three-year period following the merger, (ii) fail to elect Mr. Kelly as chairman of the board to succeed Mr. Renyi on the 18-month anniversary of the merger, (iii) modify the duties, authority or reporting relationships of Messrs. Kelly, Renyi and Hassell, and (iv) fill a vacancy resulting from the unwillingness or inability, by reason of retirement, death or disability of Messrs. Kelly, Renyi or Hassell to continue to serve in their respective offices.

### ***Employment Agreements***

Prior to the merger, each of Mellon and Bank of New York had entered into various arrangements with our current named executive officers, which we assumed in the merger. To the extent these arrangements were relevant in the determination of amounts disclosed in the Summary Compensation Table and the Grants of Plan-Based Awards Table and discussed in the Compensation Discussion and Analysis above, the material terms of the arrangements are summarized below. In addition, each named executive has one or more agreements with us that provide compensation and other benefits in the event of a termination or change in

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control. These agreements are described in the Potential Payments Upon Termination or Change in Control section below.

*Robert P. Kelly Chief Executive Officer*

We have a letter agreement with Mr. Kelly that provides for his annual base salary for 2007 of \$975,000 and eligibility for a cash bonus based on a combination of company and individual performance factors. The letter agreement also provides that Mr. Kelly is eligible to participate in our long-term equity performance plan and to receive supplemental executive retirement plan benefits as described under Employment Letter Agreements Providing for Supplemental Executive Retirement Plans below.

*Thomas A. Renyi Executive Chairman*

We have a service agreement with Mr. Renyi, which contemplates that Mr. Renyi will serve as our Executive Chairman through December 31, 2008. The service agreement provides for the following components of Mr. Renyi's compensation:

annual base salary of \$1,000,000;

continued participation in all of our regular compensation and benefit programs during the term of his employment; and

annual and long-term incentive opportunities at levels at least as favorable as those provided to him by Bank of New York before the merger, under the same terms applicable to our other executives (although the form and timing may differ).

The service agreement contemplates that Mr. Renyi will retire on December 31, 2008, unless earlier requested by our Board of Directors.

*Gerald L. Hassell President*

We have a transition agreement with Mr. Hassell, which contemplates that he will serve as a member of our executive committee and be entitled to a total compensation opportunity that reflects, relative to the other members of our executive committee, his position as the most senior member of our executive committee other than our executive chairman and chief executive officer.

*Bruce W. Van Saun Vice Chairman*

We have a transition agreement with Mr. Van Saun, which contemplates that he will serve as a member of our executive committee.

*Steven G. Elliott Senior Vice Chairman*

Mr. Elliott's employment agreement with Mellon expired by its terms on January 31, 2007. However, we have continuing obligations under Section 8 of this agreement to provide supplemental retirement benefits to Mr. Elliott as described under Employment Letter Agreements Providing for Supplemental Executive Retirement Plans below.

*Ronald P. O Hanley Vice Chairman*

We have a letter agreement with Mr. O Hanley that provides his annual base salary in 2007 of \$675,000 and eligibility for a cash bonus based on a combination of company and individual performance factors. The letter agreement also provides that Mr. O Hanley is eligible to participate in our long-term equity performance plan and our employee benefits programs.

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The following table shows the details concerning unexercised options, unvested stock and equity incentive plan awards outstanding as of December 31, 2007 for each named executive.

	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Unearned Value
	Year of Option Grant	Number of Securities Underlying Unexercised Options	Equity Incentive Plan Awards: Number of Securities Underlying Unearned Options	Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)	
RT P.	2006	93,334	186,666(8)	\$ 34.3700	2/13/16	262,378	\$ 12,793,551	32,630	\$ 1,59
	2007		483,835(9)	45.9700	2/20/17	1,778(34)	86,695		
	2007		76,668(10)	44.5900	7/23/17				
AS	1999	471,700		37.7000	1/12/09	303,060(7)	\$ 14,777,206		
YI	2000	471,700		41.6700	2/8/10				
	2001	377,360		57.2600	2/13/11				
	2002	613,210		44.3600	3/12/12				
	2003	613,210		24.5200	2/11/13				
	2004	320,756		35.0800	3/4/14				
	2006	58,962	117,926(2)	37.0900	3/14/16				
	2007		305,667(3)	40.4000	3/13/17				
	2007		137,972(4)	42.8300	4/2/17				
	2007		660,380(5)	43.9300	6/29/17				
	2007		57,452(6)	44.5900	8/3/17				
D L.	1999	165,095		37.7000	1/12/09	209,678(7)	\$ 10,223,899		
LL	2000	235,850		41.6700	2/8/10				
	2001	235,850		57.2600	2/13/11				

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	2002	353,775		44.3600	3/12/12		
	2003	353,775		24.5200	2/11/13		
	2004	165,095		35.0800	3/4/14		
	2006	51,887	103,774(11)	37.0900	3/14/16		
	2007		191,042(12)	40.4000	3/13/17		
	2007		86,180(13)	42.8300	4/2/17		
	2007		471,700(14)	43.9300	6/29/17		
	2007		35,896(15)	44.5900	7/23/17		
E W. AUN	1999	61,688		\$ 37.7000	1/12/09	259,008(7)	\$ 12,629,230
	2000	141,510		41.6700	2/8/10	1,051(33)	51,247
	2001	117,925		57.2600	2/13/11		
	2002	198,114		44.3600	3/12/12		
	2003	157,265		24.5200	2/11/13		
	2004	132,076		35.0800	3/4/14		
	2005	75,472	37,736(22)	32.2100	3/9/15		
	2006	47,170	94,340(23)	37.0900	3/14/16		
	2007		191,042(12)	40.4000	3/13/17		
	2007		67,217(24)	42.8300	4/2/17		
	2007		28,020(25)	44.5900	7/23/17		
N G. TT	1998	70,000		\$ 29.3125	10/23/08	260,856	\$ 12,719,339
	1999	18,400		33.2500	1/21/09	115,100(20)	5,612,276
	1999	43,400		35.4375	5/18/09	13,624(21)	664,306
	2000	100,000		35.2500	5/15/10	1,070(34)	52,173
	2001	130,000		43.1800	5/14/11		
	2002	62,654		38.7000	1/18/12		
	2002	156,827		38.1900	5/20/12		
	2003	225,350		25.6000	5/19/13		
	2004	145,455		27.6700	5/17/14		
	2005	142,216	71,108(16)	27.9100	5/17/15		
	2006	41,867	83,733(17)	37.3300	5/15/16		
	2007		211,971(18)	45.9700	2/20/17		
	2007		507,696(19)	44.5900	7/23/17		
LD							
NLEY	1999	14,600		\$ 33.7500	3/2/09	281,364	\$ 13,719,309
	2001	20,000		43.9900	6/18/11	1,390(20)	67,776
	2002	15,839		38.7000	1/18/12	137(21)	6,680
	2004	25,940		33.4700	1/23/14	2,420(34)	117,999
	2005	16,289	8,144(26)	29.2100	1/24/15		
	2006	7,930	15,858(27)	35.0200	1/23/16		
	2006	24,017	48,033(28)	37.4300	4/21/16		
	2006		19,871(29)	36.5600	1/24/13		
	2007		387,489(30)	45.9700	2/20/17		
	2007		8,006(31)	45.9700	2/20/17		
	2007		21,596(32)	44.5900	7/23/17		

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- (1) Valuation based on the December 31, 2007 closing price of \$48.76 per share.
- (2) 58,963 options vest on March 14, 2008 and 58,963 options vest on March 14, 2009.
- (3) 101,889 options vest on March 13, 2008, 101,889 options vest on March 13, 2009 and 101,889 options vest on March 13, 2010.
- (4) 45,990 options vest on April 2, 2008, 45,991 options vest on April 2, 2009 and 45,991 options vest on April 2, 2010.
- (5) 660,380 options vest on January 2, 2009.
- (6) 57,452 options vest on March 31, 2009.
- (7) The amount shown includes 158 shares for Mr. Renyi, 99 shares for Mr. Hassell and 77 shares for Mr. Van Saun, which represent accrued dividends on restricted stock units, which vest on March 31, 2009.
- (8) 93,334 options vest on February 13, 2007, 93,333 options vest on February 13, 2008 and 93,333 options vest on February 13, 2009.
- (9) 96,767 options vest on February 20, 2008, 96,767 options vest on February 20, 2009, 96,767 options vest on February 20, 2010, 96,767 options vest on February 20, 2011 and 96,767 options vest on February 20, 2012.
- (10) 76,668 options vest on December 31, 2008.
- (11) 51,887 options vest on March 14, 2008 and 51,887 options vest on March 14, 2009.
- (12) 63,680 options vest on March 13, 2008, 63,681 options vest on March 13, 2009 and 63,681 options vest on March 13, 2010.
- (13) 28,726 options vest on April 2, 2008, 28,727 options vest on April 2, 2009 and 28,727 options vest on April 2, 2010.
- (14) 157,232 options vest on July 1, 2008, 13,099 options vest on August 1, 2008 and 13,103 options vest on the first of each month from September 1, 2008 through July 1, 2010.
- (15) 35,896 options vest on March 31, 2009.
- (16) 71,108 options vest on May 17, 2008.
- (17) 41,867 options vest on May 15, 2008 and 41,866 options vest on May 15, 2009.
- (18) 39,019 options vest on February 20, 2008, 39,019 options vest on February 20, 2009, 39,019 options vest on February 20, 2010, 39,019 options vest on February 20, 2011, 39,019 options vest on February 20, 2012, 16,876 options vest on July 1, 2010 and 16,876 options vest on July 1, 2010.
- (19) 37,696 options vest on December 12, 2008, 156,667 options vest on July 23, 2008, 156,667 options vest on July 23, 2009 and 156,666 options vest on July 23, 2010.



- (20) Represents unvested deferred share award. A deferred share award entitles the executive to receive a share of common stock, if vested pursuant to the terms of the underlying award, on a deferred payment date.
- (21) Represents unvested dividends on deferred share awards.
- (22) 37,736 options vest on March 9, 2008.
- (23) 47,170 options vest on March 14, 2008 and 47,170 options vest on March 14, 2009.
- (24) 22,405 options vest on April 2, 2008, 22,406 options vest on April 2, 2009 and 22,406 options vest on April 2, 2010.
- (25) 28,020 options vest on March 31, 2009.
- (26) 8,144 options vest on January 24, 2008.
- (27) 7,929 options vest on January 23, 2008 and 7,929 options vest on January 23, 2009.
- (28) 24,017 options vest on April 21, 2008 and 24,016 options vest on April 21, 2009.
- (29) 19,871 options vest on May 19, 2009.

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- (30) 77,498 options vest on February 20, 2008, 77,498 options vest on February 20, 2009, 77,498 options vest on February 20, 2010, 77,498 options vest on February 20, 2011 and 77,497 options vest on February 20, 2012.
- (31) 8,006 options vest on July 1, 2010.
- (32) 21,596 options vest on December 31, 2008.
- (33) Represents accrued dividends on restricted stock units, which vest on July 1, 2010.
- (34) Represents accrued dividends on unvested restricted stock units and performance share awards.

**Option Exercises and Stock Vested**

The following table provides information concerning aggregate exercises of stock options and vesting of stock awards, including restricted stock, restricted stock units and similar instruments, during 2007 for each named executive officer.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
ROBERT P. KELLY			87,768	\$ 3,912,365
THOMAS A. RENYI	471,700	\$ 7,041,539	137,265	6,049,269
GERALD L. HASSELL	109,774	1,775,965	109,812	4,839,415
BRUCE W. VAN SAUN	87,652	1,616,997	82,359	3,629,561
STEVEN G. ELLIOTT	62,500	925,928	240,934	10,992,118
RONALD P. O HANLEY			59,569	2,693,848

**Retirement Plans**

We assumed the retirement plans of Bank of New York and Mellon by operation of law pursuant to the merger. Following the merger, each named executive continued to participate in the Bank of New York and Mellon retirement plan in which he participated prior to the merger. The following table provides information

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with respect to each plan that provides for specified payments and benefits to the named executives following, or in connection with, retirement (other than defined contribution plans). No payments were made to the named executive officers during the last fiscal year.

<b>Name</b>	<b>Plan Name</b>	<b>Number of Years Credited Service (#)</b>	<b>Present Value of Accumulated Benefit (\$)(1)</b>
ROBERT P. KELLY	Mellon Tax-Qualified Retirement Plan	1.88	\$ 28,986
	Mellon IRC Section 401(a)(17) Plan	1.88	111,126
	Employment Letter Agreement Providing for Supplemental Executive Retirement Benefits	7.13(2)	10,281,375
THOMAS A. RENYI	BNY Tax-Qualified Retirement Plan	36.00	\$ 1,349,702
	BNY Excess Plan	36.00	5,125,986
	BNY SERP	36.00	14,217,386
GERALD L. HASSELL	BNY Tax-Qualified Retirement Plan	31.25	\$ 1,154,345
	BNY Excess Plan	31.25	3,161,003
	BNY SERP	31.25	7,147,643
BRUCE W. VAN SAUN	BNY Tax-Qualified Retirement Plan	9.67	\$ 189,224
	BNY Excess Plan	9.67	344,580
	BNY SERP	9.67	1,124,363
STEVEN G. ELLIOTT	Mellon Tax-Qualified Retirement Plan	20.39	\$ 628,943
	Mellon IRC Section 401(a)(17) Plan	20.39	1,265,081
	Mellon Elective Deferred Compensation Plan for Senior Officers (Pension Make-Up)	20.39	237,203
	Prior Employment Letter Agreement Providing for Supplemental Executive Retirement Benefits	20.39	16,896,690
RONALD P. O HANLEY	Mellon Tax-Qualified Retirement Plan	10.91	\$ 131,228
	Mellon IRC Section 401(a)(17) Plan	10.91	262,784

(1) The present values shown above are based on benefits earned as of December 31, 2007 under the terms of the various plans as summarized below. Present values are determined in accordance with the assumptions used for purposes of measuring our pension obligations under SFAS No. 87 as of December 31, 2007, including a discount rate of 6.38%, with the exception that benefit payments are assumed to commence at the earliest age at which unreduced benefits are payable.

(2) Mr. Kelly's employment letter agreement provides a SERP benefit which recognizes 5.25 years of service with his former employer for purposes of determining benefits, but not for vesting. The pension value shown includes the full value of his additional service credit; however, Mr. Kelly must complete five years of service with us to vest in this benefit.

**Bank of New York Retirement Plans**

In 2007, Messrs. Renyi, Hassell and Van Saun participated in the following retirement plans assumed from Bank of New York in the merger:

The Retirement Plan of The Bank of New York Company, Inc., which we refer to as the BNY Tax-Qualified Retirement Plan;

a benefits restoration plan, which we refer to as the BNY Excess Benefit Plan; and

a supplemental executive retirement plan, which we refer to as the BNY SERP.

*BNY Tax-Qualified Retirement Plan.* This plan is a broad-based funded career average pay formula plan for former Bank of New York U.S.-based employees meeting its eligibility requirements and is subject to Internal Revenue Code, which we refer to as the IRC, limits on eligible pay for determining benefits. Benefits are based on eligible base pay (maximum of \$225,000 in 2007). Employees participating in the plan

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prior to January 1, 2006 may choose between a monthly benefit and a lump sum at retirement while other participants will receive monthly benefits at retirement.

*BNY Excess Benefit Plan.* This plan is an unfunded nonqualified plan designed to provide the same benefit to employees as under the BNY Tax-Qualified Retirement Plan to the extent their benefits are limited under such plan as a result of IRC limits on accrued benefits and eligible base pay. Benefits are paid in a lump sum.

*BNY Supplemental Executive Retirement Plan.* The BNY SERP is an unfunded nonqualified plan that provides benefits according to a benefit formula similar to that of the BNY Tax-Qualified Retirement Plan benefit formula but includes annual bonus (capped at 100% of base salary after 2005) for senior executives who were selected to participate in this plan by Bank of New York's Board of Directors prior to July 8, 2003. Benefits are paid in a lump sum. Participants are entitled to benefits in this plan only if they terminate service on or after age 60. Because Mr. Renyi has attained at least age 60, he is eligible for immediate retirement under the BNY SERP. The BNY SERP is closed to new participants.

Normal retirement age for all three plans is age 60. Beginning with 2006 benefits, each of the plans provides benefits under a career average pay formula, rather than the final average pay formula under which benefits were based prior to 2006. In addition to the new formula, changes were also made to the BNY SERP that further limit future benefits by capping the amount of eligible pay used to calculate benefits. Because Mr. Renyi and Mr. Hassell have attained at least age 55, they are eligible for immediate retirement under the BNY Tax-Qualified Retirement Plan and the BNY Excess Benefit Plan. Since Mr. Renyi has attained at least age 60, he is eligible for immediate unreduced benefits under both the BNY Tax-Qualified Retirement Plan and the BNY Excess Benefit Plan. If Mr. Hassell elects to retire and receive benefits under these plans prior to attaining age 57, his benefits would be reduced by 1/2 of 1% for each month his retirement date precedes age 57.

Beginning January 1, 2006, benefits accrued for all three plans are equal to 1% of eligible pay earned after 2005. Benefits accrued before 2006 are based on a final average pay formula and service as of December 31, 2005. The prior accrued benefit will increase with actual final average pay up to 1% per year. For the prior accrued benefit, the BNY Tax-Qualified Retirement Plan and the BNY Excess Benefit Plan used a five-year average period, whereas the BNY SERP was based on a three-year average period. Benefits under each of the plans are provided solely for service at Bank of New York or with us.

***Mellon Retirement Plans***

In 2007, Messrs. Kelly, Elliott and O'Hanley participated in the following retirement plans assumed from Mellon in connection with the merger:

Mellon Bank Retirement Plan, which we refer to as the Mellon Tax-Qualified Retirement Plan, and

Mellon IRC Section 401(a)(17) Plan.

Mr. Elliott also has a pension make-up benefit under the Mellon Elective Deferred Compensation Plan for Senior Officers. Messrs. Kelly and Elliott also accrued supplemental executive retirement benefits under employment arrangements previously entered into with Mellon that were also assumed from Mellon in connection with the merger.

*Mellon Tax-Qualified Retirement Plan.* This plan is a broad-based funded final average pay formula plan for former Mellon U.S.-based employees meeting its eligibility requirements and is subject to IRC limits on eligible pay for determining benefits. Benefits are based on eligible base pay (maximum of \$225,000 in 2007). Benefits are payable at retirement in various optional annuity forms.

*Mellon IRC Section 401(a)(17) Plan.* This plan is an unfunded nonqualified plan designed to provide the same benefit to employees whose benefits are limited under the Mellon Tax-Qualified Retirement Plan as a result of limits on eligible base pay imposed under IRC section 401(a)(17). Optional annuity forms of payment are available at retirement. An optional lump sum payment is also available at retirement for benefits earned prior to January 1, 2005.

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*Mellon Elective Deferred Compensation Plan for Senior Officers (Pension Make-up).* This plan is a nonqualified plan that contains a pension make-up provision that restores benefits not payable by the other plans as a result of the executive's election to defer a portion his base salary. Base salary deferred under this plan is not included as eligible pay under the Mellon Tax-Qualified Retirement Plan or the Mellon IRC Section 401(a)(17) Plan. At retirement on or after age 55, employees may choose between a lump sum distribution or annual installments over a period from two to 15 years. At termination prior to age 55, an employee will receive a lump sum distribution. (See further description of this plan under the Nonqualified Deferred Compensation section below.)

For the Mellon Tax-Qualified Retirement Plan, the Mellon IRC Section 401(a)(17) Plan and the Mellon Elective Deferred Compensation Plan (Pension Make-up), benefits payable are calculated as a percentage of eligible pay averaged over five years and multiplied by years of service. Benefits are 100% vested after the earlier of completion of five years of service or attainment of age 55. Normal retirement age is 65. Employees who retire after age 55 are eligible to receive early retirement benefits calculated using a reduction ratio for each month the age at retirement precedes the age at which full benefits are payable. Because Mr. Elliott has attained at least age 55, he is eligible for early retirement benefits. If Mr. Elliott elects to retire and receive benefits under these plans prior to attaining age 65, his benefits would be reduced by 5/12 of 1% for each month his retirement date precedes age 62.

*Employment Letter Agreements Providing for Supplemental Executive Retirement Benefits.* We provide supplemental executive retirement plan, which we refer to as SERP, benefits to Mr. Kelly under his employment letter agreement and to Mr. Elliott under Section 8 of his prior employment agreement. Normal retirement age for the SERP benefits is 60. Reduced benefits are payable as early as age 55. Benefits are 100% vested after the completion of five years of service. The supplemental benefit is based on a percentage of compensation multiplied by service. Compensation for this purpose is the sum of the executive's base salary and any bonus awards earned for the calendar year within the final three full calendar years of employment by us which produces the highest amount. In connection with the merger, Mr. Elliott's SERP benefits were amended to provide that, for purposes of calculating supplemental retirement benefits, base salary paid and bonus award earned will be based upon the higher of the highest amount paid for the final three full calendar years of Mr. Elliott's employment and the average of the highest such amounts within any three full calendar years of the final five full calendar years of his employment. Since Mr.