

# CORPORATE GOVERNANCE GUIDELINES

## I. INTRODUCTION

Together with the Corporation's Certificate of Incorporation and By-Laws and the charters of the committees of the Board of Directors (the "Board"), these Guidelines set forth the governance policies and procedures of The Bank of New York Mellon Corporation (the "Corporation").

These Guidelines should be considered in the context of the Corporation's Directors' Code of Conduct. Directors must comply with the Directors' Code of Conduct.

The Corporation will publish these Guidelines, Board committee charters, and the Directors' Code of Conduct on its website, and will make paper copies available upon request.

## II. THE BOARD OF DIRECTORS

- **A. The Board's Role and Responsibilities**

The business and affairs of the Corporation are subject to the general oversight of the Board. The Board's duties and responsibilities are described below.

- ***Director Duties and Responsibilities, Generally***

The Board's primary responsibility is to oversee the management of the Corporation in the interest of the Corporation and its stockholders. Directors will perform their duties in good faith and with that degree of care that a prudent person would normally use under similar circumstances.

Directors' oversight duties and responsibilities, which, as appropriate, may be discharged through Board committees, include:

- a. reviewing the Corporation's business strategies and plans and financial performance;
- b. selecting and evaluating the Chief Executive Officer ("CEO") and reviewing the process for the selection, evaluation, and development of other key managers;
- c. reviewing key risks in the Corporation's businesses and overseeing the Corporation's management of those risks;
- d. reviewing and approving major transactions;
- e. reviewing the Corporation's processes for compliance with the Director's Code of Conduct and the Code of Conduct for employees;
- f. reviewing the Corporation's processes for maintaining integrity in financial reporting;
- g. reviewing the Corporation's processes for compliance with applicable laws and regulations;
- h. reviewing the Corporation's processes for protecting the Corporation's assets and reputation; and
- i. approving policies and procedures as may be required by law or otherwise appropriate.

Directors are expected to attend meetings of stockholders, the Board and the committees on which they sit.

It is important that the Corporation speak to employees and outside constituencies with a single voice and that the Corporation's designated officers serve as the primary spokespersons.

- ***The Board's Role in Overseeing Succession Planning***

The Board, through the Human Resources and Compensation Committee, will oversee management's planning for succession of senior executive officers of the Corporation, with the involvement of the other independent directors in overseeing the succession planning for the most senior executive officers. To assist in this process, the CEO will periodically prepare and distribute to the Human Resources and Compensation Committee a report on succession planning for all senior officers of the Corporation. In addition, the CEO will prepare and periodically update a short-term succession plan for the delegation of authority to specified officers of the Corporation if some or all of the senior officers should unexpectedly become unable to perform their duties.

- ***The Board's Role in Overseeing Executive Compensation***

While the Human Resources and Compensation Committee has overall responsibility for executive compensation matters, as specified in its charter, the Committee will report its preliminary conclusions with respect to the performance evaluation and compensation decisions regarding the CEO to the other independent directors in executive session and solicit their input prior to finalizing the Committee's conclusions. The Committee will also advise and discuss with the other independent directors compensation decisions regarding the President and the process utilized by the Committee.

- ***Annual Board Self-Evaluation***

The Board will review its performance annually, taking into account its duties and responsibilities. The Chairman of the Corporate Governance and Nominating Committee will lead the Board's annual performance evaluation.

- ***B. Board Composition and Related Matters***

- ***Director Elections***

A slate of directors will be recommended by the Corporate Governance and Nominating Committee, nominated by the Board, and submitted to a stockholder vote each year. Stockholders may propose nominees for consideration by the Corporate Governance and Nominating Committee in accordance with procedures and other requirements set forth in the By-Laws and these Guidelines.

- ***Term of Office***

Directors serve until the next annual meeting of stockholders or their prior death, resignation or removal.

The Board has determined that imposition of a maximum period of service is not in the interest of the Corporation or its stockholders.

- ***Director Qualifications***

The Corporate Governance and Nominating Committee will consider for nomination persons who:

- have the highest level of integrity;
- are capable of evaluating business issues and making practical and mature judgments;
- are willing and able to devote the necessary time and effort required for service on the Board;
- have the skills and personality to work with other directors on a Board that is effective, collegial and responsive to the needs of the Corporation;
- have the necessary self-confidence and articulateness to participate effectively in Board discussions; and
- have diverse experience at senior-level policy-making positions in business, government, education, technology or not-for-profit enterprises.

As set forth in the Charter of the Corporate Governance and Nominating Committee, the criteria for selecting nominees for election as directors of the Corporation shall include, but not be limited to, 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 to service as a Director (including directorships held at other corporations and organizations). A person who is 75 years of age or older will not be nominated for election or re-election.

- ***Board Diversity***

In considering diversity of the Board (in all aspects of that term), the Corporate Governance and Nominating Committee will take into account various factors and perspectives, including differences of viewpoint, professional experience, education, skill and other individual qualities and attributes that contribute to Board heterogeneity, as well as race, gender and national origin.

- ***Director Independence***

The majority of directors will be independent in accordance with the independence standards set forth below and applicable laws and regulations, including the listing standards of the New York Stock Exchange (the "NYSE") and Item 407(a)(3) of Regulation S-K. A director will be considered independent only if the Board has affirmatively determined that the director has no direct or indirect material relationship with the Corporation that would impair his or her independent judgment.

The Board will review factors affecting independence at the time a director is nominated for election or re-election. In making independence determinations, the Board will apply the following guidelines.

A director is not independent if:

- i. the director is, or has been within the last three years, an employee of the Corporation, or an immediate family member is, or has been within the last three years, an executive officer, of the Corporation;
- ii. the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Corporation except in his or her capacity as a Director and except compensation received by an immediate family member for service as an employee (other than an executive officer) of the Corporation or any of its subsidiaries;
- iii. (A) the director or an immediate family member is a current partner of a firm that is the Corporation's 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, 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 the Corporation's audit within that time;
- iv. 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 the Corporation's present executive officers at the same time serves or has served on the compensation committee;
- v. 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, the Corporation 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 percent of such other company's consolidated gross revenues; or
- vi. a contribution (excluding matching gifts) of the Corporation to any charitable organization of which the director serves as an executive officer exceeded the greater of \$1 million or two percent of the charitable organization's consolidated gross revenues in a single fiscal year within the past three years.

For purposes of these standards, a "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 the Corporation that would jeopardize his or her judgment. In making independence determinations, the Board will review business arrangements between (a) the Corporation and the director, and (b) the Corporation and an entity for which the director serves as an officer or general partner, or of which the director directly or indirectly owns 10 percent of the equity. Such arrangements will not be considered material if:

- a. they are of a type that the Corporation usually and customarily offers to customers or vendors;
- b. they are on terms substantially similar to those for comparable transactions with other customers or vendors under similar circumstances;
- c. in the event that the arrangement 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
- d. in the case of personal loans, all such loans to directors are subject to and in compliance with Regulation O of the Federal Reserve Bank.

In applying the factors listed in (a) through (d), 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 facts. In such cases, the basis for independence determinations will be disclosed in the Corporation's Annual Proxy Statement.

- **Lead Director**

A Lead Director shall be selected annually from among the independent directors by a majority of the independent directors.

In addition to the other duties and responsibilities of the Lead Director set forth in these Guidelines or the By-Laws of the Corporation, the Lead Director shall have the following duties and responsibilities:

- Act as a non-exclusive liaison between independent directors and the Chairman and CEO;
- Review and approve, in coordination with the Chairman and CEO, agendas for Board meetings, materials, information and meeting schedules and have the authority to add items to the agenda for any Board meeting;
- Consult and provide guidance on materials and information sent or presented to the Board;
- Preside at Board and stockholder meetings if the Chairman is absent;
- Preside over executive sessions of non-management directors;
- Be available to meet with major shareholders and regulators under appropriate circumstances;
- Discuss, in conjunction with the Chairman of the Human Resources and Compensation Committee, with the CEO the results of the Board's annual evaluation of the CEO's performance; and
- Perform such other functions as the Board shall direct or request from time to time.

- **Service on Other Boards**

The Corporation values the experience directors bring from other boards on which they serve but recognizes that such service may also entail significant time commitments, conflicts or legal issues. Directors should advise the Chairman of the Board and the CEO as well as the Corporate Secretary before accepting a position on the board of directors of another publicly traded company or making any other significant commitment to any business or governmental body beyond the primary occupations in which they were engaged at the time of their most recent election to the Board. They should accept such a position or make such a commitment only after obtaining the consent of the Corporate Governance and Nominating Committee of the Board. Upon receipt of such notice, the Chairman of the Corporate Governance and Nominating Committee shall consult with the Chairman of the Board and the CEO and the Company's General Counsel on such matters prior to the Committee's determination. It is suggested that directors usually not serve on the boards of more than three publicly traded companies in addition to the Corporation. In making its determination, the Corporate Governance and Nominating Committee may take into account any and all factors it deems to be relevant, including without limitation whether the director in question is currently employed or retired from full-time employment, the number of other public-company boards of which the director is a member, any actual or potential conflicts of interest and the director's other commitments.

- **Director Resignations**

- A. A director who also serves as an officer of the Corporation or any of its subsidiaries will tender his or her resignation as a director when the director discontinues such service.
- B. A non-management director who retires from, or otherwise discontinues his or her active employment or substantially changes his or her position or responsibilities with, the business or other enterprise with which the director was primarily affiliated at the time of the director's most recent election to the Board should promptly notify the Corporate Secretary of such retirement, discontinuance or substantial change. The Corporate Governance and Nominating Committee will review the director's continued service on the Board in light of all the circumstances and recommend to the Board whether the director should be requested to tender his or her resignation to the Board. If such a request is made, the director shall promptly tender such resignation.
- C. In accordance with the By-Laws, each director is elected by the vote of the majority of the votes cast (which means the number of votes cast "for" a director's election exceeds the number of votes cast "against" that director's election, with abstentions not counted as votes cast) with respect to that director's election at any meeting for the election of directors at which a quorum is present, provided that if, as of the record date of such meeting as initially announced, the number of nominees exceeds the number of directors to be elected at such meeting (a "Contested Election"), the directors shall be elected by the vote of a plurality of the votes cast.

For an election that is not a Contested Election, any incumbent director who fails to receive a majority of the votes cast will 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 Lead Director will then refer the matter to the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it, or whether other action should be taken. If, because of recusals, the Corporate Governance and Nominating Committee is unable to meet and consider the issue with a quorum of its members participating in the discussion, the Board may assign the issue to another committee consisting solely of independent directors. In considering whether to accept or reject the tendered resignation, or to take other action, the Corporate Governance and Nominating Committee (or other committee to which the matter is assigned) will consider whatever factors its members deem relevant including, without limitation, the stated reasons for the "against" votes, the length of service and qualifications of any incumbent director whose resignation has been tendered, the incumbent director's contributions to the Corporation, and the mix of skills and backgrounds on the Board.

The Board will act on the Corporate Governance and Nominating Committee's recommendation (or the recommendation of such other committee to which the matter is assigned) no later than 90 days following the certification of the election in question. In considering the recommendation of the Corporate Governance and Nominating Committee (or such other committee), the Board will consider the factors considered by the Corporate Governance and Nominating Committee (or such other committee) and such additional information and factors as it deems relevant. Following the Board's decision, the Corporation will publicly disclose the Board's decision (and, if applicable, the reasons for rejecting the tendered resignation) in a Form 8-K filed with the Securities and Exchange Commission (the "SEC"). If the Board does not accept the director's resignation, it may elect to address the underlying stockholder concerns or to take such other actions it deems appropriate and in the best interests of the Corporation and its stockholders.

A director who tenders his or her resignation pursuant to this Section (C) will not vote on the issue of whether his or her tendered resignation will be accepted or rejected.

If the Board accepts an incumbent director's resignation pursuant to this Section (C), or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board may fill the resulting vacancy pursuant to the By-Laws.

- ***Vacancies; Board Size***

- A. In the event of a director's resignation, removal or death, the Corporate Governance and Nominating Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board;
- B. the Board may fill vacancies with directors who will serve only until the next election of directors, at which point, if nominated in accordance with these Guidelines, they may be elected by the stockholders to continue such service; and
- C. from time to time and as appropriate, the Corporate Governance and Nominating Committee will make recommendations to the Board regarding the size of the Board.

- **C. Board Meetings**

- ***Meeting Frequency and Calling of Meetings***

The Board normally holds six regular meetings per year. Subject to notice to the contrary, regular Board meetings will be held on the second Tuesday of even numbered months.

A special meeting of non-management directors or independent directors may be held at the discretion of the Lead Director.

In the event of the death or disability of the Chairman or CEO, a special meeting of the Board will be held as soon as practical at a date and time to be determined by the Lead Director. The Lead Director will preside at such meeting.

- ***Meeting Agendas and Materials***

The Chairman and CEO is responsible for the agendas for the Board meetings. In consultation with, and with input from, the Lead Director, the Chairman and CEO will prepare an agenda for each meeting and cause it to be distributed to Board members in advance of the meeting. Board members may suggest any items for inclusion on the agenda

Information and materials should be transmitted to each director, to the extent practicable, in advance of the Board meeting to which they relate. When time constraints or exceptional circumstances preclude advance distribution, written materials may be distributed at the meeting.

- ***Executive Sessions***

Non-management directors will hold an Executive Session without management at each regularly scheduled Board meeting. The Lead Director will preside over executive sessions of non-management directors. At least one such meeting each year will be attended only by independent directors.

- ***Confidentiality***

To foster open discussions, the proceedings and deliberations of the Board are confidential. Each director will maintain the confidentiality of non-public information received from the Corporation or its advisors.

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- **D. Board Information and Resources**

Management will communicate regularly with directors, who may also consult with other employees and independent advisors, such as independent auditors and outside counsel, as the Board or its committees deem appropriate, the fees of such advisors and the expenses of such consultation to be borne by the Corporation.

In performing his or her duties, a director is entitled to rely in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Board by any of the Corporation's officers or employees or committees of the Board, or by any such other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation

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- **E. Board Committees**

- ***Committee Structure***

The Board will have such committees as may be required by the Corporation's By-Laws — which will include all committees required by the rules of the NYSE — and may appoint such additional committees as the Board may determine to be necessary or convenient for the conduct of its responsibilities.

The Corporation will comply fully with all legal and regulatory requirements concerning the composition, responsibilities and procedures applicable to any committee of the Board, including those applicable to the Audit, Corporate Governance and Nominating, and Human Resources and Compensation Committees.

Each of the Audit Committee, the Corporate Governance and Nominating Committee, and the Human Resources and Compensation Committee, and any other committee required by legal or regulatory requirements, will be composed of at least three members, and all members of these committees will be independent directors.

Independent Directors are expected to serve on one or more committees of the Board.

Directors serving on certain Board committees may also be required to have other qualifications as specified in the relevant committee charters. In particular, members of the Audit Committee must meet all applicable independence requirements and must satisfy the NYSE requirements for (i) financial literacy and (ii) accounting or related financial management expertise; in addition, at least one Audit Committee member will qualify as an "Audit Committee Financial Expert" under the SEC's rules.

- ***Committee Assignments***

The Corporate Governance and Nominating Committee will periodically consider possible changes in committee assignments while maintaining flexibility, so that each committee includes directors with the requisite expertise and experience to fulfill its duties and responsibilities, and will recommend changes in committee assignments to the Board as it deems appropriate.

- ***Committee Agendas and Reports***

The agenda for each regular meeting of all standing committees of the Board will be furnished to all directors in advance of the meeting. All directors are invited to make suggestions to the committee chairman for additions to the agenda or to request that an item from a committee agenda be considered by the Board. Directors not serving on a committee who have a particular interest in an agenda item for that committee are encouraged to express their views to the committee chairman. The chairman of each committee will report regularly to the Board on matters discussed and actions taken by the committee.

- **Committee Performance Evaluations**

There will be an annual evaluation (which may be a self-evaluation) of the performance of all standing committees of the Board, the results of which will be reported to the full Board.

- **F. Director Orientation and Continuing Education**

Each newly elected director will participate in an orientation program that will include a review of the Corporation's financial position and recent financial results, risk management program, internal audit program, compliance program, Directors' Code of Conduct, Code of Conduct for employees, business plan (focused on key businesses and business objectives), and Board procedures as presented by the Corporation's Chairman, CEO, President, Chief Financial Officer, General Counsel, Chief Risk Officer, Chief Auditor, Director of Human Resources, Secretary, and other senior executives.

The directors will receive additional information about these subjects through their regular meetings, meeting materials, presentations at meetings, and copies of corporate organizational documents, periodic filings, and significant presentations made to analysts and investors.

- **G. Communications to Directors**

The Secretary of the Corporation 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 Secretary determines that it contains a magazine, solicitation or advertisement, or is of a general nature not specifically related to the Corporation's business, the contents may be discarded.

The Corporation will maintain, and will publish on its web site and in its annual proxy statement, a method for interested parties to communicate with the non-management directors as a group or with the Lead Director.

- **H. Director Compensation and Expenses**

Compensation for non-management directors' services may include annual cash retainers, shares of the Corporation's common stock, deferred stock units or options on such shares; meeting fees; fees for serving as a committee chairman or Lead Director; and fees for serving as a director of a subsidiary of the Corporation. The Corporation will also reimburse directors for their reasonable out-of-pocket expenses, using the principles set forth in the Corporation's policy on executive officer travel and entertainment. Directors are reimbursed for their travel expenses not exceeding, in the case of air fare, the first-class commercial rate. In addition, corporate aircraft and charter aircraft may be used for directors in accordance with the Corporation's Aircraft Policy. Directors will also be reimbursed as provided above for reasonable out-of-pocket expenses (including tuition and registration fees) relating to attendance at seminars and training sessions relevant to their service on the Board and in connection with meetings or conferences which they attend at the Corporation's request.

The Corporate Governance and Nominating Committee will periodically review director compensation and make recommendations to the Board. Such 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.

Unless and until amended by the Board on the recommendation of the Corporate Governance and Nominating Committee, the compensation of non-management directors for service on the Board and on standing committees of the Board shall be as follows:

- Annual cash retainer: \$110,000 payable quarterly in advance

Annual membership fee for Audit and Risk Committees: \$10,000

Annual retainers for committee chairmen:

- Audit and Risk Committees: \$30,000

Human Resources and Compensation: \$25,000

Corporate Governance and Nominating, Corporate Social Responsibility, and Technology Committees: \$20,000

Lead Director Retainer: \$50,000

In addition, non-management directors who are members of any special committee of the Board will receive a per meeting fee of \$1,800, and each non-management director will receive an annual stock award in an amount to be determined by the Board on the recommendation of the Corporate Governance and Nominating Committee. On the recommendation of the Corporate Governance and Nominating Committee, the Board may also approve other fees for non-management directors, including retainers for the chairman of any special committee of the Board.

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### **I. Director Stock Ownership**

By the fifth anniversary of their service on the Board, directors are required to maintain ownership of shares of the Corporation's common stock with a market value of at least five times the annual cash retainer.

### **III. AUTHORITY VESTED IN MANAGEMENT**

Management may exercise any and all authorities as set forth in the By-Laws. Management is authorized to implement plans, make expenditures, and acquire or dispose of assets consistent with the annual operating plan and the annual capital expenditures plan approved by the Board.

All expenditures for fixed assets (whether purchased or leased and whether to be paid directly by the Corporation itself or through any subsidiary) should be authorized in the annual capital expenditures plan approved by the Board. Any such expenditure that would, either individually or when aggregated with related transactions, exceed one percent of the total shareholders' equity of the Corporation as shown on the most recently published balance sheet must be approved by the Board.

All acquisitions and dispositions of assets (whether by the Corporation itself or through any subsidiary) — other than (i) acquisitions and dispositions in the normal course of business, (ii) acquisitions and dispositions of assets that are being or have been acquired through foreclosures or other proceedings on account of loans previously made and (iii) acquisitions of the stock or assets of other entities (addressed below) — that would, either individually or when aggregated with related transactions, exceed one percent of the total shareholders' equity of the Corporation as shown on the most recently published balance sheet, and all acquisitions or other capital commitments that would represent the Corporation's entry into a significant new line of business, must be approved by the Board.

If approved by the CEO, acquisitions (either through the Corporation or any subsidiary) of the stock or assets of other entities may be made, without specific approval by the Board, in an amount not to exceed, in any such case, one percent of the total shareholders' equity of the Corporation as shown on the most recently published balance sheet, *provided, however*, that Board approval must be obtained if the acquisition represents the Corporation's entry into a significant new line of business.

If approved by the CEO or the Chief Financial Officer ("CFO"), capital contributions to new or existing subsidiaries of the Corporation may be made, without specific approval by the Board, in an amount per transaction not to exceed two percent of the total shareholders' equity of the Corporation as shown on the most recently published balance sheet, *provided, however*, that Board approval must be obtained if the capital contribution represents the Corporation's entry into a significant new line of business. Extensions of credit may be made by the Corporation to new or existing subsidiaries of the Corporation, without specific approval by the Board, upon such terms and conditions as the CEO, the President, the CFO, the Controller, the Treasurer, any Senior Vice Chairman, any Vice Chairman or any Senior Executive Vice President of the Corporation (the "Authorized Officers") or any other person



designated in writing by any Authorized Officer may in his or her discretion approve. Notwithstanding the foregoing, Board approval shall not be required for internal reorganizations involving solely and exclusively the Corporation and/or one or more of its subsidiaries unless such internal reorganization would result in a material change in the overall risk profile of the Corporation and its subsidiaries taken as a whole. Management shall report to the Board on such internal reorganizations at the next regular meeting of the Board following completion of any such internal reorganization.

Expenditures, consideration, payments and other amounts referred to in this section include the total of all payments to be made or received and the liabilities to be assumed, directly or indirectly.

Management may exercise any and all additional authorities as the Board may from time to time approve by resolutions duly adopted.

Approved: December 10, 2013