



STRONG GOVERNANCE:

We are committed to maximizing and protecting the long-term value of our company.

In this section, specific areas of focus are:

- Corporate Governance
- Active Risk Management
- Uncompromising Compliance and Ethics Principles
- Resilient and Prepared Business Continuity
- Focus on Stakeholders
- Creating Superior Shareholder Value
- Government Engagement

Corporate Governance

Our board of directors has the primary responsibility of overseeing BNY Mellon's management in the interests of the company and its shareholders. Our directors are subject to the Directors' Code of Conduct. This code is intended to provide guidance to our directors to help them recognize and deal with ethical issues, provide mechanisms to report possible unethical conduct, and foster a culture of honesty and accountability.

The Directors' Code of Conduct requires directors to:

- avoid any conflicts of interest between the director and the company;
- comply with the procedures set forth in our related party transactions policy;
- maintain the confidentiality of information entrusted to them by the company and any other confidential information about the company that comes to them, except when and to the extent that disclosure is authorized by the company or legally mandated;
- endeavor to deal fairly with the company's clients, suppliers, competitors and employees;
- protect the company's assets and oversee their efficient and effective use;
- comply with laws, rules and regulations applicable to the company, and oversee compliance by employees, officers

and other directors of the company;

- encourage the reporting of any possible illegal or unethical behavior; and
- communicate any suspected violations of the code promptly to our general counsel or the chairman of our Corporate Governance and Nominating Committee.

A copy of the Directors' Code of Conduct is available on our Web site at www.bnymellon.com/governance/directorscodeofconduct.pdf.

We have also adopted Corporate Governance Guidelines, which are available on our Web site at <http://www.bnymellon.com/governance/guidelines/index.html>.

These guidelines address a wide variety of corporate governance matters, including the board's roles and responsibilities; the board's annual self-evaluation; board composition; director qualifications; board diversity; director independence; the role of the lead director; director resignations; board meetings, agendas and materials; board information and resources; board committees; director orientation and training; communications with directors; director compensation; director stock ownership; and authority delegated to management.

Non-management directors hold executive sessions without management at each regularly scheduled board and committee meeting. Any interested party, including shareholders and employees, may communicate directly with the lead director (who is independent of management). Such communications may include complaints regarding accounting, internal accounting controls or auditing matters and confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters. Such communications may be made by letter addressed to:

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

Interested parties may also send such communications to the lead director by e-mail at non-managementdirector@bnymellon.com.

Committees of the Board

- Audit Committee**
- Corporate Governance and Nominating Committee**
- Corporate Social Responsibility Committee**
- Executive Committee**
- Human Resources and Compensation Committee**
- Risk Committee**

The board of directors has six standing committees: Audit; Corporate Governance and Nominating; Corporate Social Responsibility; Executive; Human Resources and Compensation; and Risk. Each committee (other than the Executive Committee) consists entirely of independent directors and has a charter that sets forth its roles and responsibilities. Each committee conducts an annual self-assessment. Information concerning the members of each board committee, as well as a copy of each committee's charter is available on our Web site at <http://www.bnymellon.com/governance/committees/index.html>.

Information concerning our board committees is also available under "Board Meetings and Board Committee Information" on pages 20 to 23 of the proxy statement for our 2010 annual meeting. A copy of our 2010 proxy statement is available on our Web site at <http://www.bnymellon.com/investorrelations/annualreport/2009/proxy.pdf>.

For a detailed description of our corporate governance matters, including director independence, the role of the lead director, our board leadership structure, and the role of the board in risk oversight, please see the section titled "Corporate Governance Matters" on pages 26 to 34 in the 2010 proxy statement.

Independence of the Board

Independent Members
13

Non-independent Members
2

Corporate Social Responsibility Governance

The Corporate Social Responsibility Committee of the board, which is made up entirely of independent directors, reviews the program and its progress regularly. Committee members provide oversight and discuss each of the areas covered by the Key Performance Indicators and other subject related goals, as well as development of this annual CSR report.

At BNY Mellon, CSR is managed by a team of dedicated specialists who work with individual program areas across the company to develop and coordinate initiatives, monitor progress on material issues and build the annual CSR report. Each program area is responsible for planning and executing the initiatives specific to their business.

During the third and fourth quarters of 2009, we began plans for a CSR Management Council that will be implemented in 2010. The structure of this council matches our approach to corporate social responsibility, where the execution and management of each CSR area is owned by the individual part of the company. The CSR Management Council will work to build collaboration by bringing together internal subject matter experts, as well as senior leaders representing all of our business and major regions globally. The CSR Committee of the Board of Directors will continue to provide oversight and guidance to the CSR Team and CSR Management Council.

2010 CSR Governance and Management



Active Risk Management

The understanding, identification and management of risk are essential elements for the successful management of BNY Mellon. Our primary risk exposures are credit risk, market risk and operational risk. An extensive discussion of credit and market risk management can be found in the BNY Mellon Annual Report.

New Product Risk

When new products are introduced, corporate policy requires a product review and risk assessment. The review and risk assessment requires the approval of senior business management and senior risk management officers. It ensures that: the product is in full compliance with corporate policies and all legal and regulatory requirements; any preconditions to the product offering are met; product performance is tracked against standards; risks are identified and effective controls exist; and a post approval review of the product risk profile and financial results is conducted within 12 months of product launch.

Social and Environmental Risk

Besides those relating to Compliance and Ethics, BNY Mellon does not have specific environmental or social policies or training that are applied across the board to our lines of business. Each sector and boutique firm explores opportunities

within regulatory guidelines to meet the specific goals and needs of their clients. The individual line of business is responsible for actively identifying, assessing, and managing the risks it takes. The development of new products and services addressing climate change is most directly related to Global Environmental Markets discussed later in this report.

Operational Risk

To address operational risk, we maintain comprehensive policies and procedures and an internal control framework designed to provide a sound operational environment. These controls have been designed to manage operational risk at appropriate levels given our financial strength, the business environment and markets in which we operate, the nature of our businesses, and factors such as competition and regulation. Our internal auditors and internal control group monitor and test the overall effectiveness of the internal control and financial reporting systems on an ongoing basis. We have also established procedures that are designed to ensure that policies relating to conduct, ethics and business practices are followed on a uniform basis. Among the procedures designed to ensure effectiveness are our Code of Conduct, and Know Your Customer and compliance training programs, which are explained in more detail in the following section.

Uncompromising Compliance and Ethics Principles

Our Compliance and Ethics program, **Doing What's Right**, is designed as a partnership among our employees, business managers and Compliance and Ethics professionals — all of whom recognize the importance of their role in ensuring that our company's actions are both compliant with applicable laws and conducted in an ethical manner. Accordingly, employees are counseled to avoid situations that may give rise to questions concerning ethics, including situations that could be construed to be an actual or perceived conflict of interest.

As a leader in the global financial services industry, we recognize the risks inherent in the ever-changing global economy and the importance of having knowledgeable, well-trained employees to minimize those risks and protect shareholder value. As a result, we deployed several key resources and training programs to our employees during 2009, which include:

- a Code of Conduct written in simple, straightforward text, which applies to all employees worldwide, regardless of position or hours worked;
- annual employee certification of compliance with an understanding of the Code of Conduct and its key principles;
- continued online ethics training based on real-life scenarios;
- regular employee communications illustrating real-life ethical conflicts; and
- continued monitoring and, when necessary, updating of compliance and ethics policies.

100 percent of active employees are required to either complete a 60+ Code of Conduct questionnaire or certify their compliance with the Code of Conduct

Doing What's Right — 6 Key Principles

Respecting others — Mutual respect, professional treatment, harassment-free environment, safety, security, managers' responsibilities

Avoiding conflicts — Gifts; entertainment; outside employment; outside business dealings; outside service as a director; officer or general partner; ownership of an outside business; fiduciary responsibilities; personal investment decisions; dealing with family and close personal friends; corporate opportunities

Conducting business — Fair competition, anti-trust, anti-corruption, improper payments, combating financial crime, anti-money laundering

Working with governments — Obligations, basic principles

Protecting assets — Financial integrity; additional standards for senior financial professionals; use of company assets; protecting client and employee records; observing our privacy principles; records management; use of computers, systems and corporate information; inside or proprietary information

Supporting our communities — Political activities; investor and media relations; charitable contributions; corporate sponsorships; participating in trade associations, conferences and speaking engagements

Additional resources available to employees include:

- Ethics Help Line operated by BNY Mellon Ethics Office
- Ethics Hotline operated by EthicsPoint®, an independent hotline administrator
- Incident reporting through an easy-to-use desktop application
- Director's mailbox — lead director of the board

Looking forward, we remain committed to doing what's right. We will continue to identify best practices, incorporating them into our policies and processes to reflect new or changing industry standards. We will continue to develop relevant, broad-based compliance and ethics training programs to ensure that employees are equipped to not only conduct business in full compliance with applicable laws and regulations, but also in accordance with the highest

possible standards of ethical conduct. Our compliance training focuses on topics that apply across our business lines and on industry-specific issues such as anti-money laundering, as well as company-specific issues, such as Information Protection and Classification Standards. In 2010, online courses on Insider Trading and the BNY Mellon Code of Conduct will be added to the five existing Compliance and Ethics courses that are mandatory for all employees.

Our ethics training extends to security personnel as well. Companies providing security staff to BNY Mellon in the United Kingdom are required to provide training on equality and diversity, powers of arrest and dealing with aggressive individuals. The current staff is 100 percent compliant with this requirement. Additional ongoing training in these areas is being made available to security personnel in the near future. BNY Mellon also has security personnel services provided by companies in Brussels. These personnel are trained on diversity, dealing with hostile people, duty of care and legal rights. The current staff is 95 percent compliant with this requirement; annual refresher training on these topics is also mandatory. The security personnel companies providing services to BNY Mellon in the United States are required to provide training on use of force, powers of arrest, workplace violence and harassment, conflict resolution and demonstration or protest procedures. The current staff is 95 percent compliant with this requirement; ongoing training in these areas is also available to the security staff.

Ethics and Compliance Courses

Mandatory for all Employees Company wide

2009

**Anti-Money Laundering
Ethics
Government Contracts
Information Protection
Privacy Practices**

2010

**Anti-Money Laundering
Code of Conduct (NEW Q3 launch)
Ethics
Government Contracts
Information Protection
Insider Trading (NEW Q2 launch)
Privacy Practices**

Resilient and Prepared Business Continuity

BNY Mellon's first priorities in any emergency are the safety and wellbeing of our employees, the security of our clients' financial assets and the continuity of our businesses.

Our Global Business Continuity program is designed to ensure resilience and preparedness to withstand and recover from natural or man-made emergencies. This is increasingly important as BNY Mellon expands globally and continues to monitor, adjust and reinforce our business continuity planning strategies and worldwide recovery processes.

Overall, the company's response to any emergency is based on best practices learned from actual events and testing. Service reliability and systems resilience are essential components of the company's business strategy. The Global Business Continuity group guides BNY Mellon's businesses and recovery coordinators, helping them to identify and manage risks and prepare the company for continued service in the face of events or disruptions. BNY Mellon's business continuity planning programs focus on three key areas: crisis management, business resumption and technology recovery.

The company reached key milestones in this area during 2009. The company's Pandemic Task Force successfully led our businesses through the effects of the H1N1-A pandemic.

The plan is based on best practices in the industry and designed to minimize business disruptions while also protecting our employees. Among other things, we employed social distancing techniques and remote access, activated cross-regional recovery plans and made the latest medical advice available to employees throughout the event. Employee education was a primary focus, with BNY Mellon's H1N1 Flu Web site up and running on the company's intranet within 48 hours of the outbreak.

In addition, throughout the year and in consultation with our team of global coordinators, we continually assess our business resumption readiness. This year, we celebrated a milestone with the completion of the Pittsburgh Business Recovery Center (PBRC), a state-of-the-art center that adds 1,500 in-person or remote-usage capacity seats to our worldwide recovery capabilities. Created in less than two months from a former industrial data center, the PBRC's first full-scale, full-occupancy use provided BNY Mellon and its clients with complete continuity of service during the Pittsburgh G-20 Economic Summit held in September and hosted by U.S. President Barack Obama.

Focus on Stakeholders

BNY Mellon engages in substantive interaction with our stakeholders in order to inform our decision-making and understand the full impact of our company. The reputation of our company is affected by each of these groups, so we value their input and perspective. We developed the accompanying chart to identify primary BNY Mellon stakeholder groups, along with areas of focus for each relationship. Also, in order to obtain an external perspective on the development of this report, we consulted with Business for Social Responsibility (BSR) regarding key content and material issues.

The global focus of our stakeholder engagement programs will be a focus in 2010. For instance, we'll be increasing our

communication and interaction with international communities through philanthropy and government affairs, as well as our environmental sustainability efforts. Additionally, we expect that the creation of a CSR Management Council will enrich the conversation with stakeholders from functional areas across the company. This will be an excellent venue from which to collaborate on feedback received through our multiple surveys and communication vehicles.

Immediately following this section, we discuss our commitment to shareholders, and engagement with government stakeholders. In later sections of this report, we specifically address our clients, employees, communities, and the environment.

SHAREHOLDERS

Our Responsibility

Manage company in best interest of shareholders

Our Interaction

Annual and quarterly reports and meetings

Webcasts and conference calls

Financial services conferences

Proxy voting

CLIENTS

Our Responsibility

Excellent service

Our Interaction

Client satisfaction survey

External surveys

Informal/formal meetings

EMPLOYEES

Our Responsibility

Foster an engaged workforce

Treat employees fairly

Our Interaction

Engagement survey

Town halls

Performance Management and Development programs

Affinity networks

COMMUNITIES

Our Responsibility

Build better communities

Our Interaction

Financial support

Volunteering

Fundraising



ENVIRONMENT

Our Responsibility

Good environmental stewardship

Our Interaction

Strong environmental management of company facilities

Carbon Disclosure Project signatory

GOVERNMENT

Our Responsibility

Corporate citizenship

Share expertise

Our Interaction

Advise

Advocate

EXTERNAL PARTNERS

Our Responsibility

Understand market trends

Share expertise

Our Interaction

Solicit feedback

CEO and senior leaders industry outreach

SUPPLIERS

Our Responsibility

Ensure quality and compliance

Be responsible with buying power

Our Interaction

Risk survey and evaluation

* External partners include peer companies, nonprofits and other industry associations.

As a global company, we partner with dozens of external organizations. Following are some of the major industry associations in which we have substantive relationships:

- Bank Administration Institute
- Bank Technology Conference
- Bankers Association for Finance and Trade
- BITS
- British Bankers Association
- CFA Institute
- CHIPS
- Clearing House
- Depository Trust and Clearing Corporation
- Electronic Check Clearing House Organization
- European Securities Forum
- Financial Services Forum
- Financial Services Roundtable
- Foreign Exchange Committee
- Information Technology Senior Management Forum
- National Association of Pension Funds
- National Association of Securities Dealers
- The Association of Global Custodians
- The Clearing House

Creating Value for Shareholders

As one of our core stakeholders, we are committed to creating long-term value for our shareholders. Our businesses are revenue-led, driven by organic growth and market share gains and supplemented with incremental acquisitions or divestitures. Our long-term financial goals are focused on achieving superior total shareholder returns by generating first-quartile earnings per share growth over time relative to a group of peer companies. Key components of this strategy include:

- providing the best client service versus peers, as measured through independent surveys;
- strong investment performance, relative to investment benchmarks;
- above-median revenue growth, relative to peer companies for each of our businesses;
- increasing the percentage of revenue and income generated outside the U.S.;
- competitive margins; and
- positive operating leverage.

We provide quarterly and annual reports of our financial results, host quarterly conference calls to discuss our results and participate in financial services conferences to review our strategy, objectives and results. Our senior management is actively engaged with our shareholders, securities analysts, rating agencies and others in the investment community. We gather feedback from investors and analysts through our direct interactions and also through independent surveys, which are done on a monthly basis by a third party. We use all of this feedback to enhance our financial disclosures. Throughout the financial crisis, we have incorporated a number of

suggestions from the investment community in many areas, including providing more detailed metrics for our business lines and enhanced disclosure around our investment securities portfolio. Investors often express their appreciation for our thorough disclosure, and our goal in our financial disclosures continues to be to provide the highest level of transparency possible.

Troubled Asset Relief Program

In early June, BNY Mellon repaid the investments made in the Company by the U.S. Treasury during the fall of 2008, making it one of the first companies to return all funds with interest.

In total, BNY Mellon received \$3 billion under the Troubled Asset Relief Program (TARP) and repaid the Treasury \$3,036,250,000. This amount reflects the liquidation value of the company's preferred stock along with dividends. Moreover, it represents a 12 percent return to taxpayers (annualized).

"We appreciate the support that the U.S. taxpayers and U.S. government provided to our industry and the overall economy at a critical time. It is fitting that during this anniversary year, our company has continued to play a critical and stabilizing role in the global economy." — Bob Kelly, Chairman and CEO, BNY Mellon

STAKEHOLDER ENGAGEMENT: Industry Partners

With the stability of the global financial system at stake, our company is contributing to an industry effort to bring about meaningful regulatory reform.

Our CEO, Bob Kelly, chairs the Financial Services Forum, comprised of CEOs of 18 of the leading U.S. financial services companies and serves on the boards of the Financial Services Roundtable, which represents 100 of the largest integrated financial services companies, and the Institute of International Finance, an internationally focused entity. Through these organizations and BNY Mellon's own outreach, Bob and other senior company leaders are crafting proposals and working to ensure we are part of a constructive dialogue as policy is shaped.

Government Engagement

The success of our business is directly tied to the health of the global capital markets, giving us a vested interest in the current policy debate over measures to strengthen the financial system.

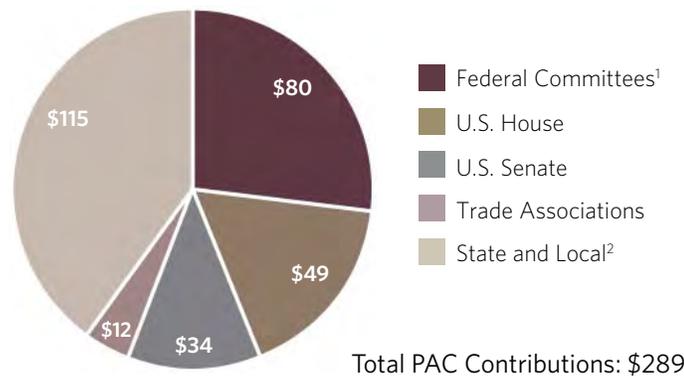
The challenge is to enact reforms thoughtfully, without compromising the ability of American financial companies to lend or compete globally. The well-being of our industry is essential to creating jobs and supporting the recovery as well as ensuring that taxpayers are not footing the bill. Often these are competing priorities, which can make final action difficult.

Given our role as a provider of critical infrastructure for the global financial markets and our daily interaction with all major financial institutions, we have special insights into the inner workings of the markets that can help advance a constructive dialogue. The debate over reform is expected to be an ongoing and dynamic process, and we are fully committed to participating in the discourse for the good of the industry, our clients and our company.

Political Activity (U.S. Only)

We believe that participation in the political process is an integral part of corporate citizenship and representing the company's business interests. One such form of participation is making political contributions where allowed.

2009 PAC Contributions (in thousands)



¹ Includes contributions to federal candidates through federal accounts of state parties and association PACs (DELPAC and NY Bankers)

² Includes state executive, House, Senate, trade associations, county, and local

BNY Mellon is subject to an extensive system of laws and regulations, and changes to such laws and regulations can have a significant impact on our shareholders, clients, employees and communities. Actively participating in discussions and debate about such changes is critical to ensuring that our interests are appropriately considered. And, where legally permitted, moderate political contributions are used to help elect candidates with views and positions consistent with our company's on important issues.

We make political contributions only as permissible by law, including contributions made through our company's political action committee (PAC). Our PAC is a voluntary, non-profit, bipartisan association that provides financial support to political candidates and committees. The PAC, which operates solely on the voluntary contributions of eligible employees, is regulated by the Federal Election Commission (FEC) and files regular reports with the FEC and relevant state election commissions on its receipts and disbursements. Reports filed with the FEC are available to the public at www.fec.gov.

Our PAC makes contributions to U.S. federal candidates, a limited number of state and local candidates, their campaign committees and other PACs. When making specific contribution decisions, the PAC considers a number of factors, including the candidates' positions on issues related to our business, their leadership positions, their legislative committees and communities they represent.

2009 CONTRIBUTIONS: CORPORATE

In 2009, corporate political disbursements were a combined total of less than \$10,000.

Corporate contributions, which are managed separately from donations by the PAC, have historically been relatively minor due to the nature of our business and corporate practices.

2009 CONTRIBUTIONS: PAC

In 2009, employees donated \$490,000 to the Political Action Committee, which subsequently distributed a total of \$289,000.

The PAC disbursements vary from year to year, and we expect that federal contributions in 2010 will be closer to 75 percent of total.

Review and Oversight

Our Corporate Affairs division oversees all political activity by or on behalf of BNY Mellon, including the administration of our PAC. It is also responsible for selecting candidates to support and, in conjunction with our Legal department, ensuring that BNY Mellon's political activity complies with applicable legal requirements. The Corporate Social Responsibility Committee of our board of directors, which consists entirely of independent directors, provides oversight of BNY Mellon's programs regarding government affairs, including lobbying and political contributions.

BNY Mellon's Code of Conduct requires all employees to receive permission for the use of BNY Mellon's name or resources in connection with political events, political candidates and their campaigns, political parties or political committees.