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BANK OF NEW YORK CO INC  
Form DEF 14A  
March 31, 2003

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (AMENDMENT NO. )

Filed by the Registrant  [X]

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))
- [X] Definitive Proxy Statement
- [X] Definitive Additional Materials
- [ ] Soliciting Material Pursuant to Section 240.14a-12

The Bank of New York Company, Inc.

-----  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(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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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

[THE BANK OF NEW YORK COMPANY LOGO]

One Wall Street, New York, NY 10286

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

of The Bank of New York Company, Inc. (the "Company")

WHERE: AT THE BANK OF NEW YORK, 101 BARCLAY STREET, NEW YORK, NEW YORK.

WHEN: ON TUESDAY, MAY 13, 2003, 10:00 A.M. LOCAL TIME.

TO VOTE ON THE FOLLOWING MATTERS:

1. To elect thirteen directors to hold office until the next Annual Meeting of Shareholders and until their respective successors have been elected and qualified;
2. To ratify the appointment by the Audit and Examining Committee of the Board of Directors of Ernst & Young LLP as the Company's independent public accountants for the current fiscal year;
3. To approve the Company's 2003 Long-Term Incentive Plan;
4. To approve the Company's 2004 Management Incentive Compensation Plan;
5. To consider a shareholder proposal with respect to political contributions; and
6. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Shareholders of record at the close of business on March 24, 2003 will be entitled to notice of and to vote at the Annual Meeting or any adjournment.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE ANNUAL MEETING. PLEASE VOTE REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE ANNUAL MEETING, SO THAT YOUR VOTE MAY BE RECORDED.

You can vote by:

- Internet;

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- telephone; or
- completing, dating, signing and mailing the enclosed proxy card promptly in the return envelope provided.

We hope you will be able to attend.

By order of the Board of Directors,

/s/ Thomas A. Renyi

/s/ J. Michael Shepherd

Thomas A. Renyi  
Chairman of the Board

J. Michael Shepherd  
Secretary

March 31, 2003

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[THE BANK OF NEW YORK COMPANY LOGO]

One Wall Street, New York, NY 10286

PROXY STATEMENT

This Proxy Statement and the enclosed proxy card are being sent to you by the Board of Directors of The Bank of New York Company, Inc. (the "Company", "we" or "us") in connection with the solicitation of proxies for the Annual Meeting of Shareholders (the "Annual Meeting").

THE ANNUAL MEETING WILL BE HELD ON MAY 13, 2003 AT THE BANK OF NEW YORK, 101 BARCLAY STREET, NEW YORK, NEW YORK, AT 10:00 A.M. LOCAL TIME.

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WHO CAN VOTE. The Board of Directors has fixed March 24, 2003 as the Record Date. Only shareholders whose names appeared on the books of the Company at the close of business on the Record Date will be entitled to notice of and to vote at the Annual Meeting or any adjournment. The outstanding voting stock of the Company on the Record Date was 726,253,312 shares of Common Stock (\$7.50 par value) ("Common Stock"). Each share is entitled to one vote. The Company's By-laws provide that the presence at the Annual Meeting of the holders of a majority of the shares of the Company entitled to vote at such meeting constitutes a quorum for the transaction of business.

WHAT IS A PROXY? 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 officers of the Company, who are called "proxies" and are named on the proxy card, will vote shares at the Annual Meeting in accordance with the instructions on the proxy card. A proxy card is enclosed.

HOW TO VOTE.

You can vote your shares by proxy by:

1. Internet;
2. telephone; or
3. completing, dating, signing and mailing the enclosed proxy card in the return envelope provided.

Read the enclosed card for instructions on how to vote over the Internet or by telephone.

You have the right to revoke your proxy at any time before it is voted by filing with the Office of the Secretary of the Company a written revocation or a duly executed proxy bearing a later date. You may attend the Annual Meeting and vote in person, whether or not you previously submitted a proxy.

Each proxy submitted will be voted as directed, but if you sign and return a proxy card without giving specific voting instructions, your shares will be voted for the election of the nominees for director named in this Proxy Statement, for ratification of the appointment of Ernst & Young LLP as the Company's independent public accountants, for the approval of the 2003 Long-Term Incentive Plan of the Company (the "2003 LTIP"), for the approval of the 2004 Management Incentive Compensation Plan of the Company (the "2004 MICP"), and against the shareholder proposal set forth in Item 5 of this Proxy Statement. We are not now aware of any other matters to be presented except for those described in this Proxy Statement. If any other matters are presented at the meeting, the proxies may use their own judgment to decide how to vote your shares. Should any nominee for director named in this Proxy Statement become unable or unwilling to accept nomination or election, which is not anticipated, the persons acting as proxies will vote for the election of such other person, if any, as the Board of Directors may recommend. If the Annual Meeting is adjourned, your shares may be voted by the proxies on the new meeting date unless you have revoked your proxy.

THE NOMINEES FOR DIRECTOR WHO RECEIVE THE HIGHEST NUMBER OF "FOR" VOTES CAST WILL BE ELECTED. THE "FOR" VOTE OF A MAJORITY OF THE VOTES CAST IS SUFFICIENT TO RATIFY THE APPOINTMENT OF ERNST & YOUNG LLP, TO APPROVE THE 2003 LTIP, TO APPROVE THE 2004 MICP AND TO APPROVE THE SHAREHOLDER PROPOSAL.

FOR PURPOSES OF DETERMINING THE VOTES CAST WITH RESPECT TO ANY MATTER PRESENTED FOR CONSIDERATION AT THE ANNUAL MEETING, ONLY THOSE VOTES CAST "FOR" OR "AGAINST" ARE COUNTED. PURSUANT TO NEW YORK LAW, ABSTENTIONS, BROKER "NON-VOTES" (OR VOTES "WITHHELD" IN THE ELECTION OF DIRECTORS) WILL NOT BE COUNTED. A BROKER NON-VOTE OCCURS WHEN A BROKER, BANK OR OTHER NOMINEE WHICH HOLDS COMPANY SHARES RETURNS A PROXY TO THE COMPANY BUT CANNOT VOTE THE SHARES IT HOLDS BECAUSE IT

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HAS NOT RECEIVED VOTING INSTRUCTIONS FROM THE SHAREHOLDER WITHIN TEN DAYS OF THE MEETING AND THE MATTER TO BE VOTED ON IS NOT "ROUTINE" UNDER NEW YORK STOCK EXCHANGE ("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 SHAREHOLDER.

This Proxy Statement and the accompanying form of proxy are first being sent to shareholders on or about March 31, 2003.

The Company will pay the cost of soliciting proxies. In addition to soliciting proxies by mail, proxies may be solicited in person or by telephone, fax or e-mail by officers and regular employees of the Company and its subsidiaries who will not be specifically compensated therefor. The Company has engaged Morrow & Co., Inc. to assist in the solicitation of proxies for a fee of \$15,000 plus reimbursement for out-of-pocket expenses. The Company will also reimburse brokers or other persons holding shares in their names or in the names of their nominees for their reasonable out-of-pocket expenses in forwarding proxies and proxy material to the beneficial owners of such shares.

### BOARD OF DIRECTORS AND DIRECTOR COMPENSATION

The Company is a financial holding company whose principal subsidiary is The Bank of New York (the "Bank"). The Company and the Bank are incorporated under the laws of the State of New York. The interests of shareholders are represented by the Board of Directors, which oversees the business and management of the Company. Information concerning the members of the Board of Directors who are standing for re-election is set forth below under the caption "Nominees for Election as Directors." This solicitation of proxies is intended to give all shareholders a chance to vote for the persons who are to be their representatives in the governance of the Company.

In accordance with New York law, the Company's By-laws set forth the Board's responsibilities and establish various corporate authorizations. The By-laws also deal with the organization of the Board, which is described below. The Board has the power to amend the By-laws. The Board has adopted Corporate Governance Guidelines and a Code of Conduct which are available on the Company's website, [www.bankofny.com](http://www.bankofny.com). A substantial majority of the directors is Independent under the revised NYSE Listing Standards which set forth certain criteria for determining whether a director is "Independent".

Directors are elected to serve until the next annual meeting of shareholders and until their successors have been elected and qualified.

During 2002, the Board of Directors of the Company met a total of 11 times. Each incumbent director attended at least 75% of the aggregate number of meetings of the Board of Directors and the committees thereof on which such director served during 2002. The Board of the Bank, which during 2002 included all the members of the Board of Directors of the Company, met a total of 11 times.

The Board of Directors of the Company has appointed several committees which have responsibility for particular corporate matters. There follows a description of these committees and their functions, including certain information concerning the directors standing for re-election who serve on such committees.

The Board of Directors of the Company has a Nominating and Governance Committee whose members during 2002 were Messrs. Luke (Chairman), Chaney, Kogan and Malone. The Nominating and Governance Committee is responsible for identifying individuals qualified to become members of the Board of Directors and recommending to the Board of Directors the Corporate Governance Guidelines of

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the Company. Its charter is available on the Company's website, [www.bankofny.com](http://www.bankofny.com). The Nominating and Governance Committee is willing to consider nominations for future election to the Board, and shareholders may submit in writing the names and qualifications of proposed nominees to the Office of the Secretary of the Company. The Nominating and Governance Committee met two times during 2002.

The Board of Directors of the Company has an Executive Committee whose incumbent members during 2002 were Messrs. Renyi (Chairman), Bacot, Chaney, Griffith, Hassell, Luke and Ms. Rein. The Executive Committee has the full authority of the Company's Board of Directors, except for limitations relating to major corporate matters. The Executive Committee held no meetings in 2002.

The Board of Directors of the Company annually appoints an Audit and Examining Committee (the "Audit Committee"), comprising directors who are not officers of the Company. The Audit Committee met four times in 2002. The functions of the Audit Committee are described in its charter. A copy of the charter is attached to this Proxy Statement as Exhibit A and is also available on the Company's website, [www.bankofny.com](http://www.bankofny.com). Ms. Rein (Chairman), Messrs. Donofrio, Luke, Myners and Richardson served on the Audit Committee during 2002. The NYSE Listing Standards set forth certain criteria for determining whether a member of the Audit Committee is "Independent". The Board determined that all of the directors who serve on the committee were Independent under the revised NYSE Listing Standards. None of the members of the Audit Committee serves on the audit committees of three or more public companies.

The Board of Directors of the Company has a Compensation and Organization Committee, comprising directors who are not officers of the Company, whose members during 2002 were Messrs. Kogan (Chairman), Biondi, Chaney and

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Malone. The Compensation and Organization Committee, whose charter is available on the Company's website, [www.bankofny.com](http://www.bankofny.com), is responsible for matters of executive compensation and administration of the Company's incentive compensation plans. The Compensation and Organization Committee met four times during 2002.

The Board of Directors of the Company has a Pension Committee whose duties are to ascertain that the retirement plans of the Company are in compliance with the Employee Retirement Income Security Act of 1974, to review the investments in the trust funds of the plans and to report to the Board on these matters. Messrs. Richardson (Chairman), Bacot and Ms. Rein served on the Pension Committee during 2002. The Pension Committee met three times during 2002.

The Board of Directors of the Company has a Risk Committee whose members during 2002 were Messrs. Donofrio (Chairman), Bacot, Richardson, Roberts and Ms. Rein. The Risk Committee assists the Board of Directors in assessing and reviewing the risk management activities of the Company and its subsidiaries, including those associated with the extension of credit and market activities. The Risk Committee met four times during 2002.

During 2002, each director who was not an officer of the Company or its subsidiaries received an annual retainer of \$30,000 and 2,400 shares of Common Stock. In addition, each director who was not an officer of the Company or its subsidiaries received a fee of \$1,800 for each meeting of the Board and of any committee which the director attended. The Chairmen of the Audit and Risk Committees received an additional annual retainer fee of \$7,000, the Chairman of the Compensation and Organization Committee received an additional annual retainer fee of \$5,000 and the Chairmen of the other Committees of the Board each received an additional annual retainer fee of \$3,000. A director who serves

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on the Boards of both the Company and the Bank receives only one retainer. If the Boards of the Company and the Bank meet on the same day, only one fee is paid for attendance at both meetings.

Officers of the Company and its subsidiaries do not receive any compensation for service on the Boards of the Company or its subsidiaries, or the committees thereof.

Under the Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc. (the "Directors' Deferred Compensation Plan"), each director who is not an officer of the Company or any of its subsidiaries may elect to defer payment of all or a portion of the director's annual retainer and meeting fees. In accordance with the director's election, pursuant to the terms of the Directors' Deferred Compensation Plan, deferred retainer and meeting fees are allocated to accounts on the Company's books corresponding to selected investment funds available under the Company's Profit-Sharing Plan. The accounts are adjusted to reflect the investment performance of such funds. All payments are made in cash, except that payment is made in shares of Common Stock with respect to amounts allocated to the Company stock fund. The Directors' Deferred Compensation Plan contains provisions for the payment of each director's account balance upon such director's termination following a Change of Control (as defined in the Directors' Deferred Compensation Plan), retirement, death or other termination of services as a director. The Directors' Deferred Compensation Plan is not funded and payments are made from the Company's general assets.

ITEM 1. ELECTION OF DIRECTORS

Unless contrary instructions are given, the persons designated as proxies intend to vote on behalf of shareholders for the election of the nominees listed in the following pages. If any nominee becomes unable or unwilling to accept nomination or election, the persons designated as proxies intend to vote on behalf of shareholders for the election of such other person, if any, as the Board of Directors may recommend. The directors elected will hold office until the next annual meeting and until their successors have been elected and qualified.

NOMINEES FOR ELECTION AS DIRECTORS

The following pages show each nominee for election as a director, his or her age, his or her principal occupation during the past five years, certain other directorships and trusteeships held, the year in which he or she became a director, and his or her holdings of Common Stock as of March 28, 2003.

All nominees who are presently serving as directors were elected to their present term of office by the shareholders.

The following information has been furnished by the nominees.

NOMINEE, YEAR ELECTED A DIRECTOR AND SECURITIES OWNED (1)	PRINCIPAL OCCUPATION AND OTHER INFORMATION
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[BIONDI PHOTO] FRANK J.	Senior Managing Director of WaterView Advisors LLC, investment adviser to WaterView Partners LLC, a private
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<p>BIONDI, JR. 1995 COMMON SHARES: 21,163</p>	<p>equity limited partnership focused on media and entertainment Senior Managing Director of WaterView Advisors LLC (formally Biondi, Reiss Capital Management LLC) from March, 1999 to present. Chairman and Chief Executive Officer of Universal Studios from 1996 through 1998. President and Chief Executive Officer of Viacom, Inc. from 1987 to January, 1996. President and Chief Executive Officer of Viacom International, Inc. from 1987 to January, 1996. Director of Amgen, Inc., The Bank of New York, Harrah's Entertainment, Inc., Hasbro, Inc., Vail Resorts, Inc. and the Museum of Television &amp; Radio. Trustee of Claremont Graduate University. Age 58.</p>
<p>[DONOFRIO PHOTO] NICHOLAS M. DONOFRIO 1999 COMMON SHARES: 10,071</p>	<p>Senior Vice President, Technology and Manufacturing of IBM Corporation, developer and manufacturer of advanced information technologies Senior Vice President, Technology and Manufacturing of IBM Corporation from August, 1997 to present. Senior Vice President, Server Group of IBM Corporation from January 1995 to August 1997. Director of The Bank of New York. Member of the Board of Trustees of Rensselaer Polytechnic Institute. Chairman Emeritus of the Board of Directors of the National Action Council for Minorities in Engineering, Inc. (NACME). Age 57.</p>
<p>[GRIFFITH PHOTO] ALAN R. GRIFFITH 1990 COMMON SHARES: 758,224</p>	<p>Vice Chairman of The Bank of New York Company, Inc. and The Bank of New York Vice Chairman of The Bank of New York Company, Inc. and The Bank of New York since December, 1994. Senior Executive Vice President of The Bank of New York Company, Inc. and President and Chief Operating Officer of The Bank of New York from June, 1990 to December, 1994. Director of The Bank of New York. Chairman of the Board of Trustees of Lafayette College. Trustee of The ALS Association, The Chesapeake Bay Foundation and the U.S. Council for International Business. Member of the Financial Services Roundtable. Age 61.</p>

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NOMINEE,  
YEAR ELECTED A DIRECTOR  
AND SECURITIES OWNED(1)

PRINCIPAL OCCUPATION  
AND OTHER INFORMATION

<p>[HASSELL PHOTO] GERALD L. HASSELL 1998 COMMON SHARES: 510,893</p>	<p>President of The Bank of New York Company, Inc. and The Bank of New York President of The Bank of New York Company, Inc. and The Bank of New York since September, 1998. Senior Executive Vice President of The Bank of New York Company, Inc. from August, 1998, and Senior Executive Vice President and Chief Commercial Banking Officer of The Bank of New York from December, 1994 to September, 1998. Executive Vice President of The Bank of New York from June, 1990 to December, 1994. Director of The Bank of New York and Private Export Funding Corporation. Trustee of Big Brothers/Big Sisters of New York</p>
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City and Junior Achievement. Member of the Financial Services Roundtable and Financial Services Forum. Member of Board of Visitors of Duke University Fuqua School of Business. Age 51.

[KOGAN PHOTO]

RICHARD J.  
KOGAN  
1996  
COMMON SHARES:  
16,800

President and Chief Executive Officer of Schering-Plough Corporation, manufacturer of pharmaceutical and consumer products  
President of Schering-Plough Corporation from November, 2002 to present and Chief Executive Officer since January, 1996. Chairman from November, 1998 to November, 2002. President from 1986 to November, 1998 and Chief Operating Officer from 1986 to 1995. Director of The Bank of New York, Colgate-Palmolive Company, Schering-Plough Corporation and Seton Company. Member of the Board of Trustees of New York University and The Saint Barnabas Medical Center. Member of the Business Roundtable and the Council on Foreign Relations. Age 61.

[KOWALSKI PHOTO]

MICHAEL J.  
KOWALSKI  
2003  
COMMON SHARES:  
1,000

Chairman and Chief Executive Officer of Tiffany & Co., international designers, manufacturers and distributors of jewelry and fine goods  
Chairman of Tiffany & Co. from January, 2003 to date, and Chief Executive Officer since February, 1999. President of Tiffany & Co. from January, 1996 to January, 2003. Executive Vice President from March, 1992 to January, 1996. Chief Operating Officer from January, 1997 to February, 1999. Director of Fairmont Hotels & Resorts, Inc. and Tiffany & Co. and Jewelers of America. Trustee of the Wildlife Conservation Society and the Nature Conservancy of New Jersey. Age 51.

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NOMINEE,  
YEAR ELECTED A DIRECTOR  
AND SECURITIES OWNED(1)

PRINCIPAL OCCUPATION  
AND OTHER INFORMATION

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[LUKE PHOTO]

JOHN A.  
LUKE, JR.  
1996  
COMMON SHARES:  
16,400

Chairman, President and Chief Executive Officer of MeadWestvaco Corporation, manufacturer of paper, packaging and specialty chemicals  
Chairman of MeadWestvaco Corporation from December, 2002 to date and President and Chief Executive Officer since January, 2002. Chairman, President and Chief Executive Officer of Westvaco Corporation from 1996 to January, 2002. President and Chief Executive Officer of Westvaco Corporation from 1992 to January, 2002. Director of American Forest and Paper Association, The Bank of New York, FM Global, MeadWestvaco Corporation, The Timken Company and the United Negro College Fund. Trustee of Lawrence University and the American Enterprise Institute for Public Policy Research. Age 54.

[MALONE PHOTO]

JOHN C.

Chairman of Liberty Media Corporation, producer and distributor of entertainment, sports, informational

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MALONE  
1986  
COMMON SHARES:  
39,600

programming and electronic retailing services  
Chairman of Liberty Media Corporation from October, 1990 to present. Chairman of Tele-Communications, Inc. from November, 1996 and Chief Executive Officer from January, 1994 to March, 1999. President from March, 1973 through March, 1997. Director of The Bank of New York, CableLabs, CATO Institute, Discovery Communications, Inc., Liberty Media Corporation, The Nature Conservancy, USANi, LLC and United Global Communications. Age 62.

[MYNERS PHOTO]  
PAUL  
MYNERS, CBE  
2002  
COMMON SHARES:  
5,400

Chairman of Guardian Media Group plc, a UK media business with interests in national and community newspapers, magazines, the Internet and radio  
Chairman of Guardian Media Group plc from 2000 to date.  
Chairman of Gartmore Investment Management plc from 1986 to 2001 and Chief Executive from 1985 to 1997. Director of The Bank of New York, Marks & Spencer plc, mm02 and Aspen Insurance Holdings Limited. Member of the Financial Reporting Council. Trustee of the Royal Academy. Chairman of Tate St. Ives. Council Member of London Symphony Orchestra. Age 54.

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NOMINEE,  
YEAR ELECTED A DIRECTOR  
AND SECURITIES OWNED(1)

PRINCIPAL OCCUPATION  
AND OTHER INFORMATION

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[REIN PHOTO]  
CATHERINE A.  
REIN  
1981  
COMMON SHARES:  
64,814

President and Chief Executive Officer of Metropolitan Property and Casualty Insurance Company, insurance services  
President and Chief Executive Officer of Metropolitan Property and Casualty Insurance Company since March, 1999.  
Senior Executive Vice President-Business Services Group and Corporate Development and Services of Metropolitan Life Insurance Company from February, 1998 to March, 1999.  
Director of The Bank of New York, First Energy Corp. and New England Financial, Inc. Trustee of the New York University Law Center Foundation. Age 59.

[RENYI PHOTO]  
THOMAS A.  
RENYI  
1992  
COMMON SHARES:  
908,239

Chairman and Chief Executive Officer of The Bank of New York Company, Inc. and The Bank of New York  
Chairman of The Bank of New York Company, Inc. and The Bank of New York since February, 1998. Chief Executive Officer of The Bank of New York Company, Inc. since July, 1997.  
President of The Bank of New York Company, Inc. from March, 1992 to September, 1998. Chief Executive Officer of The Bank of New York since January, 1996 and President from December, 1994 to September, 1998. Chief Operating Officer of The Bank of New York from December, 1994 to January, 1996. Vice Chairman of The Bank of New York from 1992 to 1994. Director of The Bank of New York, Lincoln Center for the Performing Arts, New York Bankers Association, The New York Clearing House, Public Service Enterprise Group, Inc. and United Way of New York City. Member of the Board of Governors of Rutgers, The State University. Member of the Board of

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Managers, The New York Botanical Garden. Member of the Board of Trustees of Bates College. Member and Director of the Financial Services Roundtable. Age 57.

[RICHARDSON PHOTO]  
WILLIAM C.  
RICHARDSON  
1998  
COMMON SHARES:  
11,280

President and Chief Executive Officer of W.K. Kellogg Foundation, a private foundation  
President and Chief Executive Officer of W.K. Kellogg Foundation since August, 1995. President and Professor of Health Policy and Management, Johns Hopkins University from 1990 to 1995. Director of The Bank of New York, Kellogg Company and CSX Corporation. Trustee of Council of Michigan Foundations, the W.K. Kellogg Foundation Trust and the Council on Foundations. Age 62.

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NOMINEE,  
YEAR ELECTED A DIRECTOR  
AND SECURITIES OWNED (1)

PRINCIPAL OCCUPATION  
AND OTHER INFORMATION

[ROBERTS PHOTO]  
BRIAN L.  
ROBERTS  
1999  
COMMON SHARES:  
12,702

President and Chief Executive Officer of Comcast Corporation, developer, manager and operator of broadband cable networks and provider of content  
President of Comcast Corporation from 1990 to present and Chief Executive Officer since November, 2002. Director of The Bank of New York, Comcast Corporation and Comcast Cable Communications, Inc. Age 43.

(1) Includes shares held individually or jointly with others or in the name of a bank, broker or nominee for the individual's account.

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SECURITY OWNERSHIP BY MANAGEMENT

The following table indicates the beneficial ownership of the Company's Common Stock as of March 24, 2003, by each of the directors (including all nominees for re-election), the chief executive officer and the other four most highly compensated executive officers and all directors and executive officers of the Company as a group, based upon information supplied by each of the directors and officers. No director or officer currently holds any shares of the Company's Preferred Stock.

NAME OF BENEFICIAL OWNER	SHARES OF COMMON STOCK BENEFICIALLY OWNED	SHARES THAT MAY BE ACQUIRED WITHIN 60 DAYS BY EXERCISE OF OPTIONS	TOTAL	PERCENT OF COMMON STOCK (1)
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J. Carter Bacot.....	1,582,952	--	1,582,952	
Frank J. Biondi, Jr.....	21,163	--	21,163	
William R. Chaney.....	33,600	--	33,600	
Nicholas M. Donofrio.....	10,071	--	10,071	
Alan R. Griffith.....	758,224 (2)	1,321,823	2,080,047	
Gerald L. Hassell.....	510,893 (3)	1,202,635	1,713,528	
Richard J. Kogan.....	16,800	--	16,800	
Michael J. Kowalski.....	1,000	--	1,000	
John A. Luke, Jr.....	16,400	--	16,400	
John C. Malone.....	39,600	--	39,600	
Robert J. Mueller.....	299,919 (4)	963,764	1,263,683	
Paul Myners.....	5,400	--	5,400	
Catherine A. Rein.....	64,814	--	64,814	
Thomas A. Renyi.....	908,239	2,874,635	3,782,874	
William C. Richardson.....	11,280	--	11,280	
Brian L. Roberts.....	12,702	--	12,702	
Bruce W. Van Saun.....	157,858	404,430	562,288	
All directors and executive officers of the Company, as a group (a total of 20 persons, including those named above)...	4,530,068	6,952,409	11,482,477	1.58%

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(1) All percentages are less than 1% of the Company's outstanding shares of Common Stock except as indicated.

(2) Excludes 99,320 shares held by Mr. Griffith's spouse as to which shares he disclaims beneficial ownership.

(3) Excludes 60,000 shares held by Mr. Hassell's spouse as to which shares he disclaims beneficial ownership and includes 57,854 shares held by two family trusts.

(4) Excludes 69,492 shares held by Mr. Mueller's spouse as to which shares he disclaims beneficial ownership.

2002 AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors of the Company assists the Board of Directors in fulfilling its statutory and fiduciary responsibilities with respect to internal control, accounting policies, and auditing and reporting practices. The Audit Committee assists the Board in its oversight of the integrity of the financial statements and compliance with legal and regulatory requirements.

The Audit Committee is entitled to place reasonable reliance on (i) the integrity of those persons and organizations within and outside the Company from whom and from which the Audit Committee receives information and (ii) the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations, absent actual knowledge to the contrary which will be promptly reported to the Board.

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Management of the Company is responsible for the preparation, presentation and integrity of the Company's consolidated financial statements. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies as well as for maintaining internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The Company's independent public accountants,

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Ernst & Young LLP, are responsible for planning and performing proper audits, including an audit of the Company's annual consolidated financial statements filed on Form 10-K, and other procedures, including reviews of the Company's unaudited interim consolidated financial statements prior to the filing of each quarterly report on Form 10-Q. The Audit Committee is responsible for maintaining open communication between the Audit Committee and the independent public accountants, internal auditors, management and the Board.

The Audit Committee reviewed the audited consolidated financial statements in the Company's Annual Report with management and has discussed with management the quality, not just the acceptability, of the Company's accounting principles, the reasonableness of significant judgments and the clarity of disclosures made in the financial statements. The Audit Committee also reviewed the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's Annual Report on Form 10-K. In conjunction with the reviews of the Company's 10-K and 10-Q's, the Audit Committee also received a report from the Disclosure Committee of the Company and reviewed the process for the CEO and CFO quarterly certifications of the SEC filings, as well as the Company's disclosure controls and procedures, including any changes or deficiencies.

The Audit Committee has discussed with the Company's independent public accountants, who are responsible for expressing an opinion on the conformity of the audited financial statements with generally accepted accounting principles, the independent public accountants' judgments as to the quality, not just the acceptability, of the Company's accounting principles as applied in financial reporting, the reasonableness of significant judgments, the clarity of the disclosures in the consolidated financial statements and any matters required to be discussed by Statement on Auditing Standards No. 61, as modified or supplemented.

In addition, as required by Independence Standards Board Standard No. 1, the Audit Committee has: (i) received from the Company's independent public accountants written disclosure of all relationships, if any, between the Company's independent public accountants and its related entities and the Company and its related entities that in the independent public accountants' professional judgment may reasonably be thought to bear on their independence; (ii) received a letter from the Company's independent public accountants confirming that in the independent public accountants' professional judgment, they are independent of the Company; and (iii) discussed with the Company's independent public accountants their independence from management and the Company. In further assessing the independence of Ernst & Young LLP, the Committee has received and reviewed a report by the independent public accountants describing: (i) the independent public accountants' internal quality-control procedures; (ii) material issues raised by the most recent internal quality-control review, or peer review of the firm; and (iii) all relationships between the independent public accountants and the Company. The Audit Committee has also considered that the provision of non-audit services to the Company by Ernst & Young LLP is compatible with maintaining their independence.

The Audit Committee discussed with the Company's internal auditors and independent public accountants the overall scope and plans for their respective audits, matters related to the conduct of the audits including the adequacy of staffing, and the results of the audits. The Audit Committee meets with the internal auditors and independent public accountants, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board approved) that

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the audited consolidated financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2002, which is filed with the Securities and Exchange Commission. The Audit Committee has obtained assurance from the independent public accountants that the audit was conducted in a manner consistent with Section 10A of

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the Securities Exchange Act of 1934. The Audit Committee has also appointed, subject to shareholder ratification, Ernst & Young LLP as the Company's independent public accountants.

By: The Audit Committee  
December 31, 2002

Catherine A. Rein  
Nicholas M. Donofrio  
John A. Luke, Jr.  
Paul Myners  
William C. Richardson

### AUDIT FEES

The Company utilizes Ernst & Young LLP for various audit, tax, and other non-audit services. The aggregate fees billed to the Company by Ernst & Young LLP for their audit of the Company's annual financial statements and reviews of the interim financial statements in the Company's Forms 10-K and 10-Q for the years ended December 31, 2002 and December 31, 2001 was \$3.0 million and \$2.2 million, respectively. The increase in the audit fees charged to the Company primarily relates to audits performed for newly-acquired entities of the Company.

The aggregate fees billed to the Company by Ernst & Young LLP for all services for the years ended December 31, 2002 and 2001 were as follows:

FEE TYPE -----	DECEMBER 31, 2002 -----	DECEMBER 31, 2001* -----
Audit Fees.....	\$ 2,995,000	\$ 2,215,000
Audit Related Fees		
WTC Disaster Audit-Related.....	4,175,000	6,900,000
Service Organization Reports ("SAS 70 reports").....	895,000	775,000
Other Audit-Related Fees.....	540,000	435,000
Total Audit-Related Fees.....	5,610,000	8,110,000
Tax Fees.....	2,320,000	3,755,000
Non-Audit Fees		
Compliance and Advisory Services.....	1,310,000	760,000
WTC Disaster Non-Audit-Related.....	3,490,000	--
Total Non-Audit Fees.....	4,800,000	760,000
Total for All Other Fees.....	12,730,000	12,625,000
Total for all Ernst & Young Fees.....	\$15,725,000	\$14,840,000

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\* Certain December 31, 2001 amounts have been reclassified to conform to revised SEC definitions.

The Company did not engage Ernst & Young LLP to provide any professional services with respect to financial information systems design and implementation for the years ended December 31, 2002 or 2001.

OTHER SERVICES PROVIDED BY ERNST & YOUNG LLP

Ernst & Young LLP also provided other services to associated entities of the Company that were charged directly to those entities. These amounts included \$1.0 million for the audits of mutual funds advised by the Bank and \$0.7 million for actuarial services in connection with the Company's pension and benefit plans.

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EXECUTIVE COMPENSATION AND OTHER INFORMATION

The following tables present information concerning compensation for the chief executive officer and the four other most highly compensated executive officers of the Company for services in all capacities to the Company and its subsidiaries during the years indicated.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION			LONG-TERM CO	
		SALARY (\$)	BONUS		OTHER ANNUAL COMPENSATION (\$)	RESTR STO AWA (\$)
			CASH	VALUE OF PERFORMANCE SHARES EARNED (1)		
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Thomas A. Renyi.....	2002	\$1,000,000	\$ 0	\$ 610,980	--	\$771
Chairman and Chief	2001	1,000,000	1,190,000	5,599,800	--	
Executive Officer	2000	925,000	2,975,000	9,105,938	--	
Gerald L. Hassell.....	2002	650,000	0	356,405	--	460
President	2001	650,000	560,000	3,266,570	--	
	2000	546,154	1,400,000	5,311,797	--	
Alan R. Griffith.....	2002	575,000	0	280,021	--	295
Vice Chairman	2001	575,000	550,000	2,566,565	--	
	2000	545,385	1,365,000	4,173,555	--	
Bruce W. Van Saun.....	2002	475,000	0	234,209	--	278
Senior Executive	2001	475,000	420,000	2,146,610	--	
Vice President and Chief Financial Officer	2000	440,385	1,050,000	3,490,609	--	
Robert J. Mueller.....	2002	490,000	0	203,660	--	201

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Senior Executive	2001	490,000	375,000	1,866,600	--
Vice President	2000	474,423	934,500	3,035,313	--

NAME AND PRINCIPAL POSITION -----	ALL OTHER COMPENSATION (\$)(4) -----
(A)	(J)
Thomas A. Renyi.....	\$ 53,866
Chairman and Chief	152,973
Executive Officer	175,580
-----	
Gerald L. Hassell.....	35,013
President	89,293
	93,926
-----	
Alan R. Griffith.....	30,973
Vice Chairman	90,211
	105,720
-----	
Bruce W. Van Saun.....	25,586
Senior Executive	64,101
Vice President	73,823
and Chief	
Financial Officer	
-----	
Robert J. Mueller.....	26,394
Senior Executive	85,847
Vice President	103,161

(1) The value of the 2002 performance shares earned is the value on December 31, 2002, of performance share awards made under the Company's 1999 Long-Term Incentive Plan and earned based on 2002 performance. Under the conditions of each award, shares are generally forfeitable if the officer's employment terminates prior to February 11, 2005, except in the case of retirement, disability, death or a Change in Control (as defined in the 1999 Long-Term Incentive Plan). Prior to vesting, dividends are paid on earned shares. The number of shares which were earned based on 2002 performance and the value thereof on December 31, 2002, for the following named executive officers are shown below.

	SHARES EARNED AS OF DECEMBER 31, 2002 PURSUANT TO AWARDS MADE IN FEBRUARY 2000 -----	VALUE AS OF DECEMBER 31, 2002 OF SHARES EARNED PURSUANT TO AWARDS MADE IN FEBRUARY 2000 -----
Renyi.....	25,500	\$610,980
Hassell.....	14,875	356,405
Griffith.....	11,687	280,021
Van Saun.....	9,775	234,209
Mueller.....	8,500	203,660



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- (2) Award values listed in this column for 2002 represent the portion of the 2001 bonus that was granted in the form of restricted stock to the five named executive officers in March 2002.
- (3) In February 2003, the Compensation and Organization Committee approved restricted stock awards, effective March 31, 2003, for Messrs. Renyi, Hassell, Griffith, Van Saun and Mueller in the amounts of 140,000, 78,000, 62,000, 57,000 and 32,000 shares respectively. The value of these awards will be reported in the Restricted Stock Awards column of next year's proxy statement.
- (4) The items included under column (j) for 2002 consist of the following: (1) annual Company contributions on behalf of the named employees under the Company's profit-sharing plan, amounting to \$50,000, \$32,500, \$28,750, \$23,750 and \$24,500 for Messrs. Renyi, Hassell, Griffith, Van Saun and Mueller, respectively, and (2) annual allocations under the Company's employee stock ownership plan for the accounts of Messrs. Renyi, Hassell, Griffith, Van Saun and Mueller of \$3,866, \$2,513, \$2,223, \$1,836 and \$1,894, respectively. The Company no longer makes premium payments on behalf of the executives for split-dollar life insurance arrangements.

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OPTION GRANTS IN LAST FISCAL YEAR

INDIVIDUAL GRANTS(1)

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE (\$/SH)	EXPIRATION DATE	POTENTIAL REALIZABLE ASSUMED ANNUAL STOCK PRICE APPRECIATION 10-YEAR OPTION VALUE 5% (\$)
(A)	(B)	(C)	(D)	(E)	(F)
Renyi.....	650,000	4.5	\$41.85	3/12/12	\$17,107,506
Hassell.....	375,000	2.6	41.85	3/12/12	9,869,715
Griffith.....	250,000	1.7	41.85	3/12/12	6,579,810
Van Saun.....	210,000	1.5	41.85	3/12/12	5,527,040
Mueller.....	200,000	1.4	41.85	3/12/12	5,263,848

- (1) All options were granted on March 12, 2002. For each Named Executive Officer, 2,389 of the indicated options are incentive stock options and become exercisable on March 12, 2005; the balance of the options are non-qualified stock options and become exercisable one-third per year over three years from the grant date.
- (2) The dollar amounts under these columns are the result of calculations at the 5% and 10% rates set by the Securities and Exchange Commission and therefore are not intended to forecast possible future appreciation, if any, in the Company's stock price.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

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NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END (#)	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END
			EXERCISABLE/ UNEXERCISABLE	EXERCISABLE/ UNEXERCISABLE
(A)	(B)	(C)	(D)	(E)
Renyi.....	108,462	\$3,495,369	2,356,006/1,087,840	\$9,835,272/\$0
Hassell.....	0	0	909,005/629,507	4,594,006/0
Griffith.....	0	0	1,136,526/401,174	9,692,857/0
Van Saun.....	17,920	361,222	240,799/347,841	0/0
Mueller.....	0	0	803,467/337,841	5,522,067/0

COMPENSATION AND ORGANIZATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION FOR 2002

PRINCIPLES AND PROGRAM

The Company's executive compensation program is a pay for performance program. It is designed to:

- motivate executives to enhance shareholder value with compensation plans that tie reward to Company performance; and
- target executive compensation at a level to ensure the Company's ability to attract and retain superior executives.

The Compensation and Organization Committee of the Board of Directors, which is composed entirely of outside directors, has the responsibility for the design, implementation and administration of the Company's executive compensation program.

To meet the above objectives, the program, which has both cash and equity elements, consists of base salary, an annual cash incentive bonus, share grants and stock options. In determining executive compensation, the Compensation and Organization Committee evaluates both the total compensation package and its individual elements. As part of its review, the Committee periodically considers compensation data concerning the Company's key competitors developed by independent compensation consultants. Key competitors include banks in the peer group used for the five-year comparison of

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total shareholder return. The Committee also considers Company performance, individual performance and the relative compensation levels of other executive officers. It is expected that total compensation will vary annually based on Company and individual performance. The Compensation and Organization Committee and the management of the Company believe that compensation should be based on both short-term and long-term measurements and be directly and visibly tied to Company performance, thus introducing substantial risk in the payout levels.

In evaluating the Company's 2002 financial performance, the Compensation and Organization Committee considered a variety of factors. Conditions in the economic environment and global capital markets continued to be difficult for

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the second consecutive year. In 2002, the uneven pace of the U.S. economic recovery, coupled with the unprecedented magnitude of corporate malfeasance, led to a serious loss of investor confidence which resulted in a material decline in capital flows and investment activity. This was evidenced by significant declines in all the major equity indices in the U.S. and abroad. These factors caused credit costs to increase, particularly in certain industry segments such as telecom, energy and airlines. The Company took special charges in the third and fourth quarters to reflect higher credit costs in these industry segments as well as a negative valuation adjustment to an investment portfolio of bank stocks. As a result of these special charges, the Company's net income was \$441 million lower in 2002 than in 2001 and its earnings per share were \$1.24 compared to \$1.81 in 2001. Despite the special charges and the difficult market conditions, the Company's core business performed well, reflecting the ongoing strategy of emphasizing securities servicing involving a diversity of products and markets served. The Company continued to build out its business model through further technology investments and strategic acquisitions. In addition, capital levels remained strong and in excess of the regulatory minimums for a "well capitalized bank."

Following is a description of the elements of executive compensation, and a review of Mr. Renyi's compensation levels for 2002, as they relate to the Company's performance:

### BASE SALARY

Base salary levels for executive officers are determined by the Compensation and Organization Committee. The Compensation and Organization Committee assesses a number of factors in fixing the base salary of the executive officers (including the five most highly compensated) such as the level of responsibility of the particular position, the individual's performance, the Company's overall financial performance, and the business and inflationary climate. In considering base salary levels, the Compensation and Organization Committee considers all of these factors without giving specific weight to any one factor.

Base salary levels of executive officers are reviewed every quarter by the Compensation and Organization Committee; individual increases generally occur every two years, but are occasionally awarded more or less frequently in exceptional circumstances. Because of the substantial risk in the payout levels of the long-term incentive plan, the Compensation and Organization Committee believes that base salary levels for the named executives should be at or above median for the peer group; an independent compensation consultant periodically reviews the competitiveness of executive salaries. Mr. Renyi's base salary of \$1,000,000 was unchanged in 2002.

Performance evaluations of other executive officers are reviewed with the Compensation and Organization Committee by the Chief Executive Officer. To ensure that compensation policy for the top executive officers is consistent with overall Company financial performance and executive compensation strategies, the Compensation and Organization Committee reviews the compensation awarded to approximately 50 of the Bank's most highly compensated executives.

### ANNUAL INCENTIVES

Annual incentives can be paid in cash under the 1994 Management Incentive Compensation Plan (the "1994 MICP") or in restricted stock grants under the 1999 Long-Term Incentive Plan ("1999 LTIP").

Annual incentives are designed to provide a short-term (one-year) incentive to executive officers based on a subjective evaluation of their individual contribution to Company financial performance for the year. Incentives to executive officers named in the Summary Compensation Table are generally determined based on performance against pre-established corporate goals but may

also be awarded on a discretionary basis. If performance goals are not met, awards are scaled down against target, or

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eliminated. Heads of major business units and other key officers are eligible for incentive payments. Cash incentive awards are made after each year's results are known pursuant to the 1994 MICP, under which aggregate awards generally may not exceed 10% of the amount by which net income exceeds 7% of average shareholders' equity for the plan year. The Compensation and Organization Committee approves all senior management incentive payments.

In the case of Mr. Renyi, his allowable cash bonus for 2002 of \$1,645,000 was based on normalized net income results against financial goals that were established at the beginning of 2002. In view of the special charges and write-offs in 2002, the Committee has determined that no cash bonus will be paid for 2002.

#### SHARE GRANTS

The Compensation and Organization Committee strongly endorses the use of performance shares as an important component of long-term incentive compensation for the most senior management of the Company. Performance share earnouts fluctuate based on Company results against pre-established goals over designated performance periods.

Restricted share grants are generally made to other executive officers but may also be granted to senior management in special situations. Restricted shares vest over time without regard to performance goals but provide an incentive to recipients to remain employed with the Company and to contribute to overall Company performance and the enhancement of shareholder value.

In 2000, performance share grants were made covering performance for calendar years 2000, 2001 and 2002. Performance goals for performance shares are based on return on equity adjusted for non-recurring items. In view of the special charges and write-offs in 2002, the Committee has adjusted the earnout to 42.5% of granted shares. Absent such adjustment, the earnout of performance shares based on 2002 performance would have been higher. Mr. Renyi earned 25,500 shares based on a grant of 60,000 shares.

In February, 2003, the Compensation and Organization Committee approved a special grant of 140,000 restricted shares to Mr. Renyi, effective March 31, 2003, in consideration of achievement of certain strategic goals in 2002, to provide an incentive for further strategic performance and to tie individual compensation levels to future shareholder returns.

#### STOCK OPTION GRANTS

Stock options are designed to provide long-term (ten-year) incentives and rewards tied to the price of the Company's Common Stock. Given the fluctuations of the stock market, there is not always a direct correlation between stock price performance and financial performance. The Compensation and Organization Committee believes that stock options, which provide value to participants only when the Company's shareholders benefit from stock price appreciation, are an important component of the Company's executive compensation program. The number of options currently held by an officer is not a factor in determining individual grants, and the Compensation and Organization Committee has not established any target level of ownership of Company Common Stock by the Company's officers. The ownership level of Company Common Stock by senior management has historically been high and retention of shares of Company stock by officers is strongly encouraged.

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Stock option grants were made pursuant to the 1999 LTIP. During 2002, approximately 2,100 key officers received stock option grants including all executive officers. The number of option shares granted is based on a subjective evaluation of an individual's contribution to Company financial performance and his/her position and salary level in the Company. Stock options are issued annually at an exercise price equal to 100% of the fair market value of the Company's Common Stock on the date of grant. Vesting terms for stock options for the named executive officers are shown in the footnotes to the Option Grants in the Last Fiscal Year table on page 13; the term of the options is ten years from the grant date.

An outside consultant used by the Compensation and Organization Committee periodically reviews the value of long-term incentive grants (which includes stock options and performance shares) awarded by competitors to their senior management. Mr. Renyi was awarded 650,000 option shares in March 2002.

Under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Company will not be able to take tax deductions for employee remuneration to the named executives to the extent such remuneration exceeds \$1 million and is not based on performance as defined in Section 162(m) of

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the Code. The Company has modified its incentive compensation plans, has obtained and will continue to seek the necessary shareholder approvals and has established the requisite performance measurements to insure that compensation paid under those plans will be deductible. In order to maintain the desired degree of management flexibility to award compensation based upon individual performance, compensation which does not qualify for the deduction may also be paid.

By: The Compensation and  
Organization Committee,  
December 31, 2002

Richard J. Kogan  
Frank J. Biondi, Jr.  
William R. Chaney  
John C. Malone

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THE BANK OF NEW YORK COMPANY, INC.

COMPARISONS OF FIVE-YEAR TOTAL SHAREHOLDER RETURN

[COMPARISON CHART]

	12/31/97	12/31/98	12/31/99	12/31/00	12/31/01
The Bank of New York Company, Inc.	100.00	141.11	142.27	198.63	149.44
Peer Group	100.00	107.57	128.08	154.33	157.01
S&P 500	100.00	126.67	151.40	136.05	118.31

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Value of assumed \$100 investment on December 31, 1997 in The Bank of New York Company, Inc. Common Stock, in the Standard & Poors 500 Stock Index or in the Peer Company Group Index. Dividends are reinvested.

### PEER COMPANY GROUP

Bank of America Corporation  
Bank One Corporation  
Citigroup Incorporated  
FleetBoston Financial Corporation  
J.P. Morgan Chase & Co.(1)  
Mellon Financial Corporation  
Merrill Lynch & Co. Incorporated  
Wachovia Corp(2)  
Wells Fargo & Co.

- (1) Return history of Chase Manhattan Bank through December 29, 2000, when Chase merged with J.P. Morgan & Company; 2001 results are for J.P. Morgan Chase & Co.
- (2) During 2001 First Union Corporation acquired Wachovia Corporation and assumed the Wachovia Corporation name; return history is that of First Union prior to the September 2001 merger completion.

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EMPLOYMENT AGREEMENTS AND RELATED MATTERS. The executive officers named in the Summary Compensation Table on page 12 of this Proxy Statement are currently parties to the agreements described below.

SEVERANCE AGREEMENTS. The Severance Agreements for Messrs. Renyi, Hassell, Griffith, Van Saun and Mueller (the "Severance Agreements") generally provide that in the event that, within 24 months following a "Change in Control" (as defined below) of the Company, such executive officer either (i) receives notice that his employment will terminate for any reason other than death, retirement, Cause or Disability (as defined in the Severance Agreements) or (ii) gives notice that his employment will terminate for Good Reason (as defined in each Severance Agreement), such executive officer will be provided with severance pay in an amount equal to 3 times the sum of the officer's (x) annual salary rate prior to a notice of termination (or, if higher, the annual salary rate immediately prior to the Change in Control) and (y) highest annual bonus earned during the last three completed fiscal years immediately preceding the executive officer's termination date (the "Bonus Amount"); the severance payment will also include an amount equal to the lump sum actuarial equivalent of the additional benefit which the officer would have received under the Company's Retirement, Excess Benefit and Supplemental Executive Retirement Plans if his employment had continued for 3 additional years, his age were increased by 3 years and he continued to receive salary equal to the annual salary rate in effect immediately prior to the Change in Control and bonus compensation equal to the Bonus Amount. Should the executive officer be subject to the excise tax on "excess parachute payments" as a result of such payment and payments under other plans due to a Change in Control, an additional payment will be made to restore the after-tax severance payment to the same amount which the executive officer would have retained had the excise tax not been imposed.

The initial term of the Severance Agreements, was July 11, 2000 to December 31, 2000. Thereafter, they automatically renew each January 1st for consecutive one year periods unless terminated by either party on 90 days prior notice, provided, that notwithstanding any such notice, the Severance Agreements will continue in effect for 24 months after a Change in Control which occurs during the term or any renewal thereof.

OTHER EMPLOYEE BENEFIT MATTERS. Under the 1993 and 1999 Long-Term Incentive Plans, in the event of a Change in Control (as defined below), (i) the restrictions applicable to all shares of restricted stock and restricted share units shall lapse and such shares and share units shall be deemed fully vested, (ii) all restricted stock granted in the form of share units shall be paid in cash, (iii) 200% of all performance shares granted in the form of shares of Common Stock or share units shall be deemed to be earned in full and fully vested, (iv) 200% of all performance shares granted in the form of share units shall be paid in cash, and (v) any participant who holds a stock option that is not exercisable in full shall be entitled to receive a cash payment as provided below with respect to the portion of the stock option which is not then exercisable. The amount of any cash payment in respect of a restricted share unit or performance share unit shall be equal to: (A) in the event the Change in Control is the result of a tender offer or exchange offer for Common Stock, the final offer price per share paid for the Common Stock or, if higher, the highest fair market value of the Common Stock during the 90-day period ending on the date of the Change in Control or (B) in the event the Change in Control is the result of any other occurrence, the highest fair market value of the Common Stock during the 90-day period ending on the date of the Change in Control. The amount to be paid in respect of the portion of any stock option which is not exercisable shall be equal to the result of multiplying the number of shares of Common Stock covered by such portion of the stock option by the difference between (x) the per share value of Common Stock determined pursuant to the preceding sentence, or such lower price as the Compensation and Organization Committee may determine with respect to any incentive stock option to preserve its incentive stock option status, and (y) the per share exercise price of such stock option.

The Company entered into a trust agreement with an independent trustee in 1993 to establish a trust (the "Trust") to provide for the payment of amounts due to Messrs. Renyi, Hassell, Griffith, Mueller and later, Mr. Van Saun (and certain other senior executives) upon a Change in Control (as defined below) of the Company. The terms of the Trust provide for the payment to Messrs. Renyi, Hassell, Griffith, Van Saun and Mueller (and certain other senior executives) of the severance pay payable to them pursuant to their Severance Agreements described above. The Trust also provides for the payment of amounts due to participants under the Company's Supplemental Executive Retirement Plan and Excess Benefit Plan which include Messrs. Renyi, Hassell, Griffith, Van Saun and Mueller (and certain other senior executives). The Trust is revocable at any time at the option of the Company prior to a Change in Control. After

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the occurrence of a Change in Control, the Trust will become irrevocable and will be used for the exclusive purpose of providing benefits to such persons. The Trust is funded by the deposit of an irrevocable letter of credit in the amount of \$220 million issued by an entity unaffiliated with the Company.

CHANGE IN CONTROL. A "Change in Control" for purposes of the Severance Agreements of Messrs. Renyi, Hassell, Griffith, Van Saun and Mueller, the Trust, the Supplemental Executive Retirement Plan and Excess Benefit Plan, the 1993 and 1999 Long-Term Incentive Plans is deemed to occur if (A) any "person" (as such term is defined in Section 3(a)(9) and as used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), excluding the Company or any of its subsidiaries, a trustee or any fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, an underwriter temporarily holding securities pursuant to an offering of such securities or a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportion as their ownership of the Company, is or becomes the "beneficial owner" (as defined in

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Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of then outstanding securities ("Voting Securities") of the Company, unless the acquisition of Voting Securities is in connection with an acquisition by the Company of a business or operation of or controlled by such person, a majority of the Board approve a resolution providing that the acquisition does not constitute a Change in Control and such person does not become the owner of 35% or more of the Voting Securities; or (B) during any period of not more than two years, individuals who constitute the Board as of the beginning of the period and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (A) or (C) of this sentence) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at such time or whose election or nomination for election was previously approved (the "Incumbent Directors"), cease for any reason to constitute a majority thereof; or (C) the consummation of the merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in (i) the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity or, if applicable, of the ultimate parent corporation which has beneficial ownership of at least 95% of the Voting Securities of the surviving entity) at least 60% of the combined voting power of the Voting Securities of the Company or of such surviving entity (or such ultimate parent corporation) outstanding immediately after such merger or consolidation and (ii) the Incumbent Directors constituting at least a majority of (x) the board of directors of the surviving entity and of any corporation that owns 25% or more but less than 50% of the Voting Securities of such surviving entity or (y) the board of directors of any corporation that owns at least 50% of the Voting Securities of such surviving entity; or (D) the shareholders of the Company approve a plan of complete liquidation of the Company; or (E) the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets. Notwithstanding anything contained herein to the contrary, if a Change in Control occurs under clause (C) of the definition thereof under the 1993 or the 1999 Long-Term Incentive Plans, no amendment to the provisions of this Section which is adopted in connection with or as a consequence of the Change in Control shall be effective if it adversely affects a Participant unless the Company's Chief Executive Officer immediately prior to such Change in Control serves as Chief Executive Officer for 2 years thereafter of the Surviving Corporation and, if applicable, of any corporation that owns at least 50% of the Voting Securities of the Surviving Corporation.

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### PENSION BENEFITS

PENSION PLAN TABLE  
YEARS OF CREDITED SERVICE

REMUNERATION	15	20	25	30	35	40
-----	-----	-----	-----	-----	-----	-----
\$ 100,000	\$ 24,750	\$ 33,000	\$ 41,250	\$ 49,050	\$ 56,550	\$ 64,050
200,000	49,500	66,000	82,500	98,100	113,100	128,100
300,000	74,250	99,000	123,750	147,150	169,650	192,150
400,000	99,000	132,000	165,000	196,200	226,200	256,200
500,000	123,750	165,000	206,250	245,250	282,750	320,250
600,000	148,500	198,000	247,500	294,300	339,300	384,300



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700,000	173,250	231,000	288,750	343,350	395,850	448,350
800,000	198,000	264,000	330,000	392,400	452,400	512,400
900,000	222,750	297,000	371,250	441,450	508,950	576,450
1,000,000	247,500	330,000	412,500	490,500	565,500	640,500
1,100,000	272,250	363,000	453,750	539,550	622,050	704,550
1,200,000	297,000	396,000	495,000	588,600	678,600	768,600
1,300,000	321,750	429,000	536,250	637,650	735,150	832,650
1,400,000	346,500	462,000	577,500	686,700	791,700	896,700
1,500,000	371,250	495,000	618,750	735,750	848,250	960,750
1,600,000	396,000	528,000	660,000	784,800	904,800	1,024,800
1,700,000	420,750	561,000	701,250	833,850	961,350	1,088,850
1,800,000	445,500	594,000	742,500	882,900	1,017,900	1,152,900
1,900,000	470,250	627,000	783,750	931,950	1,074,450	1,216,950
2,000,000	495,000	660,000	825,000	981,000	1,131,000	1,281,000
2,100,000	519,750	693,000	866,250	1,030,050	1,187,550	1,345,050
2,200,000	544,500	726,000	907,500	1,079,100	1,244,100	1,409,100
2,300,000	569,250	759,000	948,750	1,128,150	1,300,650	1,473,150
2,400,000	594,000	792,000	990,000	1,177,200	1,357,200	1,537,200
2,500,000	618,750	825,000	1,031,250	1,226,250	1,413,750	1,601,250
2,600,000	643,500	858,000	1,072,500	1,275,300	1,470,300	1,665,300
2,700,000	668,250	891,000	1,113,750	1,324,350	1,526,850	1,729,350

Individuals listed in the Summary Compensation Table on page 12 had the following covered compensation, and years of credited service as of December 31, 2002, respectively: Thomas A. Renyi, \$2,623,667, 31 years; Gerald Hassell, \$1,510,801, 26 years; Alan R. Griffith, \$1,327,545, 36 years; Bruce Van Saun \$1,147,545, 5 years and Robert J. Mueller, \$1,072,974, 25 years. Covered compensation consists of the average of the three highest consecutive years of combined salary and bonus paid in the last ten years.

For Messrs. Renyi, Hassell, Griffith, Van Saun and Mueller, the Pension Plan Table sets forth the estimated annual pension benefit in the form of a straight life annuity payable at normal retirement age before reduction for Social Security benefits.

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EQUITY COMPENSATION PLANS

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))
-----	-----	-----	-----
	(A)	(B)	(C)
Equity compensation plans approved by security holders (1) (2) .....	51,425,347	\$37.52	24,765,866
Equity compensation plans not approved by security holders (2) .....	-----	-----	-----
Total .....	51,425,347	\$37.52	24,765,866
	-----	-----	-----

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(1) As of December 31, 2002.

(2) All equity compensation plans providing for the issuance of options for the purchase of equity securities have been approved by shareholders. No warrants or rights are issuable under any equity compensation plan.

#### DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has purchased directors' and officers' liability and corporate reimbursement insurance, covering all directors and officers of the Company and all subsidiaries, from the following underwriters: National Union Fire Insurance Company of Pittsburgh, PA, Lloyd's of London and various other domestic and international insurance companies. These policies are dated December 1, 2002 at a total premium expense for a one year period of \$8,685,000.00, which was paid by the Company, and are due to expire December 1, 2003.

#### CERTAIN TRANSACTIONS

In the ordinary course of business, the Company and certain of its subsidiaries have had, and expect to continue to have, banking and fiduciary transactions with a number of their directors and executive officers and their associates and members of their immediate families. Such transactions are all on bases comparable to similar transactions with others who are not within such group.

Certain of the Company's executive officers and directors and members of their immediate families are customers of the Company's subsidiaries, and certain of the Company's executive officers and directors are executive officers, directors or beneficial owners of 10 percent or more of any class of equity securities of corporations, or members of partnerships, which are customers of or suppliers to the Company and its subsidiaries. As such customers or suppliers, their transactions were in the ordinary course of business. Such customer transactions include borrowings, all of which were made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with others and did not involve more than the normal risk of collectability or present other unfavorable features, at the time they were made.

During 2002, John C. Malone, a director of the Company, was also Chairman of Liberty Media Corporation. During 2002 the Company made loans to Liberty Media Corporation and certain of its affiliated entities. There was no indebtedness to the Company outstanding at any time during 2002 net of loans participated to the Bank. In addition to the loans made by the Company, bank subsidiaries of the Company made loans to Liberty Media Corporation and certain of its affiliated companies which were outstanding in 2002. All of these loans were made, for a variety of corporate purposes, in the ordinary course of business 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 collectability or present other unfavorable features at the time they were made. During 2002, loans to two affiliated entities of Liberty Media Corporation were classified by the Bank as potential problem loans. Although the loans, totaling approximately \$20 million, are presently performing, this action was taken because of concerns about the credit quality of the borrowers. Since October 2002, another affiliate of Liberty Media Corporation has owed the Bank approximately \$4 million for a foreign

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exchange transaction. Payment is presently being negotiated in connection with the restructuring of that affiliate. The Bank has substantially reserved for the potential trading loss.

During 2002, Brian L. Roberts, a director of the Company, was also President and Chief Executive Officer of Comcast Corporation. During 2002, the Company made loans to certain of Comcast Corporation's affiliated companies. There was no indebtedness to the Company outstanding at any time during 2002 net of loans participated to the Bank. In addition, bank subsidiaries of the Company made loans to Comcast Corporation and certain of its affiliated companies. All of these loans were made, for a variety of corporate purposes, in the ordinary course of business 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 collectability or present other unfavorable features.

During 2002, J. Carter Bacot, a director of the Company, was a party to a consulting agreement with the Company pursuant to which he was paid \$100,000.

### LITIGATION

Two consolidated shareholder derivative actions were filed (one in United States District Court for the Southern District of New York and one in New York Supreme Court, County of New York) against certain current and former directors and officers of the Company and the Bank. Both actions alleged that the defendants breached their fiduciary duties of due care and loyalty by (i) aggressively pursuing business with Russian banks and other business entities without implementing sufficient safeguards, and (ii) failing to supervise properly those responsible for that business. In addition, the federal complaint (and a nearly identical complaint filed in state court and consolidated with the primary action) included allegations that certain current and former officers of the Bank and the Company participated in an improper scheme to transfer cash from Russia to off-shore accounts. In November 2001, the federal district court dismissed the consolidated federal action. Plaintiffs appealed that decision and, on February 12, 2003, the Court of Appeals for the Second Circuit affirmed the district court's dismissal.

The parties in the state derivative action participated in a court-appointed mediation and reached a proposed settlement of the consolidated action. The settlement includes payment of \$26.5 million by defendants' insurance carriers to the Company's shareholders and requires the Company and the Bank to undertake certain prophylactic measures. On January 23, 2003, the state court preliminarily approved the settlement, directed the sending of notices to shareholders, and scheduled a hearing on April 30, 2003 to consider final approval of that settlement.

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

Section 16(a) of the Exchange Act requires the Company's directors and executive officers ("Reporting Persons") to file with the Securities and Exchange Commission and the NYSE, within specified monthly and annual due dates, reports relating to their ownership of and transactions in the Company's equity securities.

Based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, the Company believes that during 2002, its Reporting Persons have complied with all applicable Section 16(a) filing requirements except that Newton P. S. Merrill inadvertently failed to timely file one report reporting one transaction.

### STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

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To the knowledge of the Company, as of December 31, 2002, no person had beneficial ownership of more than 5% of its voting securities.

### ITEM 2. PROPOSAL TO RATIFY THE APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Audit Committee of the Board of Directors has appointed Ernst & Young LLP to serve as the Company's independent public accountants for the year 2003, and the Board of Directors recommends that shareholders ratify such appointment at the Annual Meeting.

Representatives of Ernst & Young LLP are expected to attend the Annual Meeting, to have an opportunity to make a statement, if they desire to do so, and to be available to respond to appropriate questions.

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THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU MARK YOUR PROXY FOR THE RATIFICATION OF APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTANTS.

### ITEM 3. PROPOSAL TO APPROVE THE COMPANY'S 2003 LONG-TERM INCENTIVE PLAN

This section provides a summary of the principal terms of the 2003 Long-Term Incentive Plan of The Bank of New York Company, Inc. ("2003 LTIP"). The complete 2003 LTIP is annexed to this proxy statement as Exhibit B. For a complete description of the terms of the 2003 LTIP, you should read the 2003 LTIP.

The Board of Directors adopted the 2003 LTIP on March 11, 2003 to be effective June 1, 2003, subject to approval by shareholders. The Board of Directors believes that the Company's long-term financial interests, including its growth and performance, are dependent upon its ability to attract and retain employees of outstanding ability. The 2003 LTIP will provide the Company an opportunity to encourage selected employees and employees of its subsidiaries to acquire an ownership interest in the Company and will help align their economic interests directly with those of the Company's shareholders. The 2003 LTIP will also provide the Company with flexibility to offer, in line with competitive practices, compensation packages to selected candidates whose contributions and skills are important to its long-term success.

GENERAL. Under the 2003 LTIP, the Company may grant employees stock options (either incentive stock options within the meaning of Section 422 of the Code or nonstatutory stock options), performance shares and restricted stock (collectively, the "awards"). The 2003 LTIP is administered by the Compensation and Organization Committee of the Board of Directors (the "Compensation Committee"), which is authorized to select employees of the Company and its subsidiaries to receive awards, determine the type of awards to be made, determine the number of shares of Common Stock or share units subject to any award and determine the other terms and conditions of such awards to the extent not provided for in the 2003 LTIP. Subject to limits it may establish, the Compensation Committee may delegate such authority with respect to employees other than those considered to be Covered Employees under the 2003 LTIP (including the Chief Executive Officer and employees whom the Compensation Committee considers likely to be among the four other most highly compensated executive officers for the year in which an award is made or payable) and other employees who are subject to Section 16 of the Exchange Act.

All employees of the Company and its subsidiaries who have demonstrated significant management potential or who have the capacity for contributing in a substantial measure to the successful performance of the Company, as determined by the Compensation Committee, are eligible to receive awards under the 2003 LTIP. The Compensation Committee may also deem other employees of the Company

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and its subsidiaries eligible to receive awards of nonstatutory options under the 2003 LTIP. While such criteria are subjective in nature, based on its experience to date under the 1999 Long-Term Incentive Plan of The Bank of New York Company, Inc. ("1999 LTIP"), the Company currently estimates that approximately 2,500 employees are likely to be eligible to receive awards each year under the 2003 LTIP. In addition, under the 1999 LTIP, special annual grants of nonstatutory options to purchase a limited number of shares have been made to a broad group of employees since January, 1997. The largest grant of this type was made in February, 2003, with each such employee receiving an option to purchase 200 shares. Approximately 14,600 employees were eligible for the 2003 grant.

It is not possible to determine the benefits or amounts to be received under the 2003 LTIP because all amounts to be received will be based solely on future performance. The following table presents the benefits and amounts that would have been allocated to the Chief Executive Officer and the four other most highly compensated executive officers of the Company, all current executive officers as a group, all current directors who are not executive officers as a group and all employees including all current officers

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who are not executive officers as a group, under the 2003 LTIP if it had been in effect in 2002. Benefits received from awards are based on the Company's future performance.

	PERFORMANCE SHARES (1)		STOCK OPTIONS		RESTRICTED STOCK	
	DOLLAR VALUE	NUMBER OF UNITS	NUMBER OF SHARES	EXERCISE PRICE PER SHARE	DOLLAR VALUE	NUMBER OF SHARES
Thomas A. Renyi..... Chairman and Chief Executive Officer	\$ 7,076,250	180,000	650,000	\$ 41.85	\$ 771,421	18,600
Gerald L. Hassell..... President	\$ 4,127,813	105,000	375,000	\$ 41.85	\$ 460,224	10,900
Alan R. Griffith..... Vice Chairman	\$ 3,243,281	82,500	250,000	\$ 41.85	\$ 295,880	7,500
Bruce W. Van Saun..... Senior Executive Vice President and Chief Financial Officer	\$ 2,712,563	69,000	210,000	\$ 41.85	\$ 278,805	7,100
Robert J. Mueller..... Senior Executive Vice President Executive Officer	\$ 2,358,750	60,000	200,000	\$ 41.85	\$ 201,508	5,000
Group (including identified officers).....	\$19,518,657	496,500	1,813,000	\$ 41.85	\$ 3,388,887	85,000
Non-Executive Officer Director Group(2)...	\$ 0	0	0	\$ 0	\$ 0	0
Non-Executive Officer Employee Group.....	\$11,204,063	285,000	12,550,892	\$20.85-\$44.90	\$38,870,648	950,000

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- (1) Awards shown are awards of performance shares made in 2000 because no performance shares were awarded in 2002. The dollar value of the awards of performance shares are based on the closing price of the Company's Common Stock on February 8, 2000, the date performance shares were granted. An individual earns performance shares based on the performance of the Company. Performance shares granted during 2000 are earned based on Company performance during calendar years 2000, 2001 and 2002 and are generally subject to a two year restriction on sale after vesting.
- (2) Non-Executive Officer Directors are not eligible for awards under the 2003 LTIP.

The number of newly issued shares of Common Stock available for the grant of Awards under the 2003 LTIP will not exceed 40,000,000 plus shares of Common Stock remaining available for issuance under the 1999 LTIP. Of the 40,000,000 shares of Common Stock requested no fewer than 3,000,000 shares of Common Stock may be used for grants of restricted stock in lieu of cash compensation and no more than 3,000,000 shares of Common Stock shall be used for grants of performance shares or other shares of restricted stock. Additionally, shares subject to Awards under the 2003 LTIP and any prior plan that are forfeited, cancelled or terminated, as well as shares subject to Awards under such plans that are surrendered by employees to pay the option price or to satisfy any tax or withholding obligation, may be reissued under the 2003 LTIP. Notwithstanding the foregoing, these limits will be adjusted for any stock dividend or split, recapitalization, merger or similar change.

On March 24, 2003, the closing price of the Common Stock on the NYSE was \$21.42 per share.

STOCK OPTIONS. Stock options entitle the holder to purchase shares of Common Stock at a per share price determined by the Compensation Committee, which price will not be less than the closing price of Common Stock on the NYSE ("Fair Market Value") on the date of grant. Stock options will be exercisable for such period as is determined by the Compensation Committee, but in no event may options be exercised within one year from the date of grant (except after a Change in Control) or exercisable after 10 years from the date of grant. The Compensation Committee may permit an employee who has received a grant of nonstatutory stock options to transfer the options, subject to such terms and conditions specified by the Compensation Committee, to the employee's spouse and issue (including

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adopted and step-children) or to a trust for the benefit of the employee and such family members. No employee may receive stock option grants for more than 1,500,000 shares of Common Stock (as adjusted for any stock dividend or split, recapitalization, merger or similar change) during any calendar year. At no time may the option price of any outstanding stock option be reduced without the prior approval of shareholders.

Upon the grant or exercise of an incentive stock option, no income will be realized by the optionee for Federal income tax purposes and the Company will not be entitled to any deduction. If the Common Stock acquired upon exercise is not disposed of within the one-year period beginning on the date of the transfer of the Common Stock to the optionee, nor within the two-year period beginning on the date of the grant of the option, any gain or loss realized by the optionee upon the disposition of such shares will be taxed as long-term capital gain or loss. In such event, no deduction will be allowed to the Company. If the Common Stock is disposed of within the one-year or two-year periods referred to above, the optionee will realize ordinary income at the time of disposition in an amount equal to the excess of the Fair Market Value of the Common Stock on the

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date of exercise (or, if less, the gross proceeds of the disposition) over the exercise price, and the Company will be entitled to a corresponding deduction.

Upon the grant of a nonstatutory option, no income will be realized by the optionee for Federal income tax purposes, and the Company will not be entitled to any deduction. Upon the exercise of such an option, the optionee will realize ordinary income in the amount by which the Fair Market Value of the Common Stock at the time of exercise exceeds the exercise price, and the Company will be entitled to a corresponding deduction. The Compensation Committee may permit an optionee to satisfy the Company's obligation to withhold required taxes upon the exercise of a nonstatutory option by having the Company retain the number of shares of Common Stock, the Fair Market Value of which is equal to the required withholding amount.

**PERFORMANCE SHARES.** Performance share awards consist of a grant of actual shares of Common Stock or share units having a value equal to an identical number of shares of Common Stock. The number of shares of Common Stock or share units to which the holder is entitled is based upon performance conditions of the Company over a performance period (which in no event may be less than 12 months) as determined by the Compensation Committee. Performance share awards may provide the holder with dividends or dividend equivalents and voting rights prior to vesting. The Compensation Committee will determine whether performance shares granted in the form of share units shall be paid in cash, Common Stock or a combination thereof.

Awards of performance shares to the Chief Executive Officer and the employees whom the Compensation Committee considers likely to be among the four other most highly compensated executive officers for the year in which an award is made or payable shall, except to the extent determined otherwise by the Compensation Committee, be subject to performance conditions. The conditions must be established within 90 days after the start of the performance period and be based on the achievement by (a) the Company of a target total shareholder return, earnings per share or stock price, or (b) the Company or a specified business unit of (i) a specified target operating or net income, return on assets or business diversification, (ii) a specified target return on equity, (iii) one or more operating ratios or results, (iv) market share, (v) cash flow, (vi) expense or cost control, (vii) favorable comparison to competitors, or (viii) the accomplishment of or the meeting of thresholds related to mergers, acquisitions, dispositions or similar extraordinary business transactions, or any combination of the above. The Compensation Committee may reduce or eliminate an award of performance shares to such officers, notwithstanding the achievement of a specified target. The maximum number of performance shares subject to any award to such an officer, calculated prior to any earn-out factors, is 600,000 (as adjusted for any stock dividend or split, recapitalization, merger or similar change) for each 12 months during the performance period; to the extent the award is paid in cash the maximum is the cash value of such shares at the closing price on the Common Stock's last trading day on the New York Stock Exchange (the "NYSE") during the period. If such an officer terminates employment for any reason during the period, the award will be payable to the extent determined by the Compensation Committee if the performance conditions are achieved.

**RESTRICTED STOCK.** Restricted stock awards consist of a grant of actual shares of Common Stock or share units having a value equal to an identical number of shares of Common Stock. Restricted stock awards may provide the holder with dividends or dividend equivalents and voting rights prior to vesting. The Compensation Committee will determine whether restricted stock granted in the form of share units shall be paid in cash, Common Stock or a combination thereof. The employment conditions and the

length of the period for vesting of restricted stock awards are established by the Compensation Committee at the time of grant. A restricted period of not less than 3 years shall apply to all Common Stock or share units subject to restricted stock awards; a shorter period may apply with respect to up to 3% of the total shares of Common Stock or share units available for grant under the 2003 LTIP.

CHANGE IN CONTROL. In the event of a "Change in Control" (as defined on page 19, above), (i) the restrictions applicable to all shares of restricted stock and restricted share units shall lapse and such shares and share units shall be deemed fully vested, (ii) all restricted stock granted in the form of share units shall be paid in cash, (iii) all performance shares granted in the form of shares of Stock or share units shall be deemed to be earned in full, (iv) all performance shares granted in the form of share units shall be paid in cash, and (v) each person who holds a stock option that is not exercisable in full shall be entitled to receive a cash payment as provided below with respect to the portion of the stock option which is not then exercisable. The amount of any cash payment in respect of a restricted share unit or performance share unit shall be equal to: (A) in the event the Change in Control is the result of a tender offer or exchange offer for Common Stock, the final offer price per share paid for the Common Stock or (B) in the event the Change in Control is the result of any other occurrence, the aggregate per share value of Common Stock as determined by the Compensation Committee at such time. The amount to be paid in respect of the portion of any stock option which is not exercisable shall be equal to the result of multiplying the number of shares of Common Stock covered by such portion of the stock option by the difference between (x) the per share value of Common Stock determined pursuant to the preceding sentence, or such lower price as the Compensation Committee may determine with respect to any incentive stock option to preserve its incentive stock option status, and (y) the per share exercise price of such stock option. Notwithstanding the foregoing, if a Change in Control occurs under clause (C) of the definition thereof and (x) the Voting Securities of the Company outstanding immediately prior to such merger or consolidation would continue to represent more than 50% of the combined voting power of the Voting Securities of the Company or the surviving entity immediately after such merger or consolidation and (y) immediately after such merger or consolidation there would be no Change in Control under clause (B) of the definition thereof if the words "at least 50% thereof" were substituted for the words "a majority thereof", then no payment of cash shall be made pursuant to clause (v) of the first sentence of this paragraph and in lieu thereof all stock options shall become exercisable in full. The Compensation Committee may, in its discretion, include such further provisions and limitations in any agreement documenting such awards as it may deem equitable and in the best interests of the Company.

The 2003 LTIP or any portion thereof may be amended, suspended or terminated by the Board of Directors at any time, provided that no amendment shall be made without stockholder approval if such approval is necessary for the 2003 LTIP to continue to comply with Rule 16b-3 under the Exchange Act. Unless terminated earlier by the Board of Directors, the term of the 2003 LTIP will expire on May 31, 2008.

No grants will be made pursuant to the 1999 LTIP after May 31, 2003 so long as the 2003 LTIP is approved by shareholders at the Annual Meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU MARK YOUR PROXY FOR THE ADOPTION OF THE 2003 LONG-TERM INCENTIVE PLAN.

#### ITEM 4. PROPOSAL TO APPROVE ADOPTION OF THE COMPANY'S 2004 MANAGEMENT INCENTIVE COMPENSATION PLAN

This section provides a summary of the principal terms of the 2004 Management



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Incentive Compensation Plan of The Bank of New York Company, Inc. ("2004 MICP"). The complete 2004 MICP is annexed to this Proxy Statement as Exhibit C. For a complete description of the terms of the 2004 MICP you should read the 2004 MICP.

The Board of Directors adopted the 2004 MICP on January 14, 2003 and is asking shareholders to approve the adoption of the 2004 MICP. The 2004 MICP replaces the 1994 Management Incentive Compensation Plan ("1994 MICP"). The 2004 MICP is substantially the same as the 1994 MICP. The last grants under the 1994 MICP were made in February, 2003.

**BACKGROUND.** The purpose of the 2004 MICP is to promote the growth and financial interests of the Company and its subsidiaries by: (i) attracting and retaining officers and key personnel possessing outstanding ability; (ii) motivating officers and key personnel by means of performance related incentives, and (iii) providing incentive compensation opportunities which are competitive with those of other major financial institutions.

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**GENERAL.** Under the 2004 MICP, which will expire as of December 31, 2013, the Company may pay cash bonuses to employees of the Company and its subsidiaries. The aggregate amount of cash bonuses in any calendar year may not exceed 10% of the amount by which consolidated net income of the Company exceeds 7% of the Company's average shareholders' equity for that year.

The 2004 MICP is administered by the Compensation and Organization Committee of the Board of Directors (the "Compensation Committee"), which is authorized to select employees to receive awards and determine the size, terms and conditions of such awards to the extent not provided for in the 2004 MICP. Subject to limits it may establish, the Compensation Committee may delegate such authority with respect to employees other than those considered to be Covered Employees under the 2004 MICP (including the Chief Executive Officer and employees whom the Compensation Committee considers likely to be among the four other most highly compensated executive officers for the year in which an award is made or payable) and other employees who are subject to Section 16 of the Exchange Act. While determination of the size, terms and conditions of such awards is subjective, all employees of the Company and its subsidiaries are eligible to receive awards under the 2004 MICP.

The 2004 MICP limits the amount of individual awards to Covered Employees in any year to 0.2% of the Company's pre-tax income for that year, as reported to shareholders. Within 90 days after the start of each year, the Compensation Committee may establish performance goals to determine the amount of the award, if any, to be paid to a Covered Employee. Such performance goals are only set for those Covered Employees who are likely to have remuneration in excess of \$1 million for which the Company would not otherwise be eligible for a Federal income tax deduction. The Company is only entitled to Federal income tax deductions for compensation in excess of \$1 million paid to Covered Employees if the Company meets the requirements of Section 162(m) of the Code. These requirements generally provide that: (i) compensation must be paid solely on account of the attainment of one or more pre-established, objective performance goals, (ii) performance goals must be established by the Compensation Committee of the Board of Directors, (iii) the material terms under which the compensation is to be paid must be disclosed and approved by the shareholders, and (iv) prior to payment, the Compensation Committee must certify that the performance goals were in fact satisfied. The 2004 MICP contains provisions which are intended to satisfy these requirements.

The performance goals may be set on the basis of: the achievement by (a) the Company of a target total shareholder return, earnings per share or stock price,

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or (b) the Company or a specified business unit of (i) a specified target operating or net income, return on assets or business diversification, (ii) a specified target return on equity, (iii) one or more operating ratios or results, (iv) market share, (v) cash flow, (vi) expense or cost control, (vii) favorable comparison to competitors, or (viii) the accomplishment of or the meeting of thresholds related to mergers, acquisitions, dispositions or similar extraordinary business transactions, or any combination of the above.

The Compensation Committee may, in its discretion, reduce or eliminate an award to a Covered Employee notwithstanding the achievement of a specified target. Additionally, the Committee may, in its discretion, provide that MICP awards be paid in cash, stock or a combination of both. Awards settled in shares of Stock shall be funded from shares authorized under the proposed 2003 LTIP or any predecessor plan approved by shareholders.

Awards, if any, to be made in future years under the 2004 MICP have not been determined since they will be determined based on actual future performance. The following table sets forth the minimum and maximum awards that could have been paid to the Chief Executive Officer and the four other most highly compensated executive officers of the Company; all current executive officers as a group; all current directors who are not executive officers as a group; and all employees including all current officers who are not executive officers, as a group for fiscal 2002 depending on the extent to which the performance goals established by the Compensation Committee are achieved. Since performance goals may not be achieved there can be no assurance that any awards will actually be paid in any future performance period. Awards are generally paid each February for the prior calendar year, but have also been paid in the latter part of December of the calendar year for which they are made.

The 2004 MICP or any portion thereof may be amended, suspended or terminated by the Board of Directors at any time. The 2004 MICP does not contain any change in control provisions.

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NAME OF INDIVIDUAL OR GROUP -----	MINIMUM AMOUNT OF AWARD FOR FISCAL YEAR 2002 (\$) -----	MAXIMUM POSSIBLE AMOUNT OF AWARD FOR FISCAL YEAR 2002 -----
Thomas A. Renyi, Chairman.....	0	2,744,000
Gerald L. Hassell, President.....	0	2,600,000
Alan R. Griffith, Vice Chairman.....	0	2,156,300
Bruce W. Van Saun, Senior Executive Vice President and Chief Financial Officer.....	0	1,781,300
Robert J. Mueller, Senior Executive Vice President.....	0	1,470,000
Executive Officer Group (including identified officers).....	0	11,426,600 (1)
Non-Executive Officer Director Group(2).....	0	0
Non-Executive Officer Employee Group.....	0	32,908,650 (1)

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(1) For the Executive Officer Group, the amount listed is the aggregate of the maximum possible amount of award for the named executive officers plus the actual MICP awards for the executive officer group (excluding the named executive officers) paid for fiscal year 2002 under the 1994 MICP.

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- (2) Non-Executive Officer Directors are not eligible for awards under the 2004 MICP.
- (3) For the Non-Executive Officer Group, the amount listed is the aggregate actual MICP awards paid for fiscal year 2002 under the 1994 MICP.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU MARK YOUR PROXY FOR THE ADOPTION OF THE 2004 MANAGEMENT INCENTIVE COMPENSATION PLAN.

### ITEM 5. SHAREHOLDER PROPOSAL

#### SHAREHOLDER PROPOSAL WITH RESPECT TO POLITICAL CONTRIBUTIONS

Mrs. Evelyn Y. Davis, Watergate Office Building, 2600 Virginia Avenue, N.W., Suite 215, Washington, DC 20037, who is the owner of 1,002 shares of the Common Stock of the Company, has advised the Company that she intends to present the following proposal at the Annual Meeting:

RESOLVED: "That the stockholders recommend that the Board direct management that within five days after approval by the shareholders of this proposal, the management shall publish in newspapers of general circulation in the cities of New York, Washington, D.C., Detroit, Chicago, San Francisco, Los Angeles, Dallas, Houston and Miami, and in the Wall Street Journal and U.S.A. Today, a detailed statement of each contribution made by the Company, either directly or indirectly, within the immediately preceding fiscal year, in respect of a political campaign, political party, referendum or citizens' initiative, or attempts to influence legislation, specifying the date and amount of each such contribution, and the person or organization to whom the contribution was made. Subsequent to this initial disclosure, the management shall cause like data to be included in each succeeding report to shareholders." "And if no such disbursements were made, to have that fact publicized in the same manner."

#### PROPONENT'S STATEMENT IN SUPPORT OF RESOLUTION:

REASONS: "This proposal, if adopted, would require the management to advise the shareholders how many corporate dollars are being spent for political purposes and to specify what political causes the management seeks to promote with those funds. It is therefore no more than a requirement that the shareholders be given a more detailed accounting of these special purpose expenditures that they now receive. These political contributions are made with dollars that belong to the shareholders as a group and they are entitled to know how they are being spent."

"If you AGREE, please mark your proxy FOR this resolution."

#### MANAGEMENT RECOMMENDS A VOTE AGAINST THIS PROPOSAL FOR THE FOLLOWING REASONS:

The Board of Directors believes that adoption of this proposal would be costly and unnecessary and not in the best interests of the Company or its shareholders.

The Company is already required to comply with numerous federal and state laws and regulations governing the permissibility and reporting of political contributions. This proposal would impose additional

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costs and administrative burdens on your Company without conferring a concomitant benefit on the shareholders.

Advertising each and every contribution made by the Company in newspapers would not provide the shareholders with meaningful information.

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As authorized by federal law, the Company also sponsors a political action committee supported solely by voluntary contributions from employees. The political action committee files publicly available reports with the Federal Election Commission detailing its receipts and disbursements.

Our political action committee provides support for candidates and public officials whose views are consistent with the Company's long-term legislative and regulatory goals regarding the financial services industry or the communities served by the Company and its subsidiaries.

Requiring your Company to spend money purchasing advertising space to disclose contributions would not be a productive use of your Company's funds.

For these reasons management believes that the proposal does not serve the best interests of the Company or its shareholders.

ACCORDINGLY, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU MARK YOUR PROXY AGAINST ADOPTION OF THE SHAREHOLDER PROPOSAL.

### SHAREHOLDER PROPOSALS FOR THE 2004 ANNUAL MEETING

In accordance with the rules of the Securities and Exchange Commission (the "SEC"), shareholders who intend to present proposals at the 2004 Annual Meeting of Shareholders must submit such proposals in time for them to be received by the Company on or before December 2, 2003, for inclusion in the Company's Proxy Statement and form of proxy relating to that meeting. A shareholder proposal submitted outside the process of SEC Rule 14a-8 is considered untimely if it is not received by February 15, 2004.

J. Michael Shepherd  
Secretary

March 31, 2003

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EXHIBIT A

### AUDIT AND EXAMINING COMMITTEE CHARTER

#### I. GENERAL

This Charter sets forth the authority and responsibilities of the Audit and Examining Committee (the "Committee") of the Board of Directors (the "Board") of The Bank of New York Compan