**Northern Trust Corporation**
**Corporate Governance Guidelines**
**Effective November 13, 2018**

These Corporate Governance Guidelines (these "Guidelines") were adopted by the Board of Directors (the "Board") of Northern Trust Corporation (the "Corporation") on November 13, 2018 and supersede the corporate governance guidelines adopted by the Board on November 14, 2017. These Guidelines are intended to assist the Board in the exercise of its responsibilities.

## A. Composition of the Board of Directors

1. Size. The Board shall consist of such number of directors, not less than five nor more than fifteen, as shall be fixed from time to time by the Board. A Board of this approximate size is large enough to allow for a diversity of perspectives and backgrounds without being so large as to impede effective discussion. The quality of the individuals serving and the overall balance of the Board are more important than the precise number of directors.

2. Independence. A majority of the Board will be "Independent Directors" ("Independent Directors") as defined under the listing standards of The NASDAQ Stock Market LLC or such other principal securities exchange upon which the Corporation's common stock is listed (such listing standards, the "Exchange Listing Standards"). A director will qualify as an Independent Director only upon the affirmative determination of the Board that such director has no relationship with the Corporation which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. To assist it in making determinations of independence, the Board has adopted the Categorical Standards of Director Independence set forth in Exhibit A. Each year the Corporation will disclose, in the proxy statement relating to its annual meeting of stockholders, the names of those directors that the Board has determined to be independent under the Exchange Listing Standards and the Categorical Standards of Director Independence and will describe, by specific category or type, for each director or nominee for director determined to be independent, any transactions, relationships or arrangements not otherwise disclosed in the proxy statement that were considered by the Board in making the determination. The Board generally will not include more than two directors employed by the Corporation or its subsidiaries; provided, however, more than two such employee directors may serve in unusual circumstances, such as during a transition in leadership.

3. Leadership. The Board retains the flexibility to separate or combine the positions of Chairman and Chief Executive Officer ("CEO"). The Board recognizes its responsibility for the establishment and maintenance of the most effective leadership structure for the Corporation, taking into account all relevant facts and circumstances, including the best interests of the Corporation and its stockholders. When the position of Chairman is not held by an Independent Director, the Board will appoint a Lead Director who will have the duties set forth in Section A.4. below.

4. Lead Director. The Corporation's Independent Directors designate annually one of the Independent Directors to serve as the Lead Director (the "Lead Director"). The Lead Director's duties include: (i) approving meeting agendas for the Board and the nature of information sent to the Board; (ii) approving Board meeting schedules to assure that there is sufficient time for discussion of all Board agenda items; (iii) calling at any time deemed necessary or advisable by such Lead Director a special meeting of the Board or a special executive session of the Independent Directors; (iv) adding items to the agenda of any regular or special meeting of the Board deemed necessary or advisable by such Lead Director; (v) presiding at all regular and special meetings of the Board at which the Chairman is not present; (vi) presiding at all regular and any special executive sessions of the Independent Directors; (vii) serving as a liaison between the Corporation's Independent Directors, the Chairman and the CEO (if individual is different than the Chairman); (viii) conducting, by means of an interview with each director, including the Chairman of the Board, the Board's annual self-evaluation of its performance and then providing a summary report to the Board; and (ix) being available for consultation and direct communication with major stockholders, if they so request. The name of the then-current Lead Director will be disclosed each year in the Corporation's proxy statement relating to its annual meeting of stockholders.

5. Retirement. No director may stand for election to the Board after attaining the age of 72 except as approved by the Board. It is also expected that directors employed by the Corporation will resign from the Board at the time they resign or retire from the Corporation.

6. Change in Director Circumstances. If a director resigns or is terminated from the primary position that such director held at the time of his or her most recent election or appointment to the Board, becomes unable to commit the time and attention required for effective Board service or becomes disabled, that director will provide the Chairman of the Board and the Corporate Governance Committee with an explanation of the changed circumstances including, if applicable, the director's future professional plans. The Corporate Governance Committee will review the desirability of the director's continued service on the Board under the circumstances and will make a recommendation to the Board with respect thereto.

7. Candidates. The Board as a whole is responsible for selecting candidates for director. The Corporate Governance Committee is responsible for screening and recommending candidates. In discharging this responsibility, the Corporate Governance Committee considers the nature of the expertise and experience required for the performance of the duties of a director of a corporation engaged in the Corporation's business and such matters as the relevant business and industry experience, professional background, age, current employment, community service and other board service of candidates for directors, as well as the racial, ethnic and gender diversity of the Board. The Corporate Governance Committee seeks to identify as candidates for director persons with a reputation for, and record of, integrity and good business judgment who: (i) have experience in positions with a high degree of responsibility and are leaders in the organizations with which they are affiliated; (ii) are free from conflicts of interest that could interfere with a director's duties to the Corporation and its stockholders; and (iii) are willing and able to make the necessary commitment of time and attention required for effective Board service. The Corporate Governance Committee also takes into account the candidate's level of financial literacy. The Corporate Governance Committee monitors the mix of skills and

experience of the directors in order to ensure the Board has the necessary tools to perform its oversight function effectively.

8. Term Limits. Although the Corporate Governance Committee will consider length of service in recommending candidates for re-election, the Board does not believe that adopting a set term limit for directors is in the best interests of the Corporation.

9. Service on Other Boards. Directors will advise the Chairman of the Board and the Chairman of the Corporate Governance Committee, with a copy to the Corporate Secretary, before accepting membership on the board of directors of any other for-profit company to allow for a review of potential independence issues and conflicts. No director may serve on the board of directors of more than three public companies in addition to the Corporation, unless the Corporate Governance Committee determines that such service would not impair the ability of such director to effectively serve on the Corporation's Board. The Corporate Governance Committee takes into account the competing demands on a person's time in deciding whether or not to recommend to the Board such person's nomination or renomination as a director. Directors also will advise the Chairman of the Board and the Chairman of the Corporate Governance Committee, with a copy to the Corporate Secretary, before accepting membership on the audit committee of any other public company. No director may serve as a member of the Corporation's Audit Committee if such director serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Corporation's Audit Committee. Any such determination must be disclosed in the Corporation's proxy statement relating to its annual meeting of stockholders.

10. Advisory Directors. The Board may, from time to time, by majority vote, appoint up to three advisory directors to serve until the Board meeting following the next annual meeting of stockholders or until the earlier resignation or termination of such advisory director(s) by a majority of the Board. Advisory directors may be invited to meetings of the Board or any committees of the Board and, if present, may participate in the discussions occurring at such meetings. Advisory directors also may be appointed as advisory members of one or more committees of the Board, as determined by the Board based on the recommendation of the Corporate Governance Committee. Advisory directors will not be counted for purposes of determining whether a quorum of the Board or a committee of the Board is present and will not have any of a director's rights, powers or privileges, including the right to vote at such meetings. Advisory directors will be entitled to receive fees for their service in such form and amount as recommended by the Compensation and Benefits Committee and approved by the Board, and will be reimbursed for reasonable travel and other out-of-pocket business expenses incurred in connection with attendance at meetings of the Board and its committees. Advisory directors will be subject to all of the Corporation's policies applicable to directors, including the Corporation's Code of Business Conduct and Ethics. References in the Corporation's By-laws to "directors" will not include advisory directors.

## B. Effect of a Failure to Receive a Majority of the Votes in Director Elections

1. Required Resignation. In an uncontested election of directors (i.e., an election in which the only nominees are those recommended by the Board), any incumbent director who

fails to receive a majority of the votes cast in such election will promptly tender his or her resignation to the Chairman of the Board (or such other director designated by the Board if the director failing to receive the majority of votes cast is the Chairman of the Board) following certification of the voting results. Such resignation will be effective upon its acceptance by the Board.

2. Consideration of Resignation. The Corporate Governance Committee will promptly consider the resignation submitted by an incumbent director who fails to receive a majority of the votes cast in favor of his or her election, and the Corporate Governance Committee will recommend to the Board whether to accept the tendered resignation or reject it. In considering whether to accept or reject the tendered resignation, the Corporate Governance Committee will consider all factors deemed relevant by the members of the Corporate Governance Committee including, without limitation, any stated reasons as to why stockholders did not support the director whose resignation has been tendered director, the length of service and qualifications of such director, the director's contributions to the Corporation, and these Guidelines.

3. Board Action. The Board will act on the Corporate Governance Committee's recommendation no later than 90 days following the date of the stockholders' meeting at which the election occurred. In considering the Corporate Governance Committee's recommendation, the Board will consider the factors considered by the Corporate Governance Committee and such additional information and factors as the Board believes to be relevant. Following the Board's decision on the Corporate Governance Committee's recommendation, the Corporation will promptly publicly disclose the Board's decision whether to accept the resignation as tendered (providing a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation) in a Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission.

4. Vacancies. To the extent that the resignation of one or more directors is accepted by the Board, the Corporate Governance Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

5. Recusal of Certain Directors. Any director who tenders his or her resignation pursuant to this provision will not participate in the Corporate Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. If a majority of the members of the Corporate Governance Committee failed to receive a majority of the votes at the same election, then the Independent Directors who did receive a majority of the votes with respect to their respective elections will appoint a Board committee amongst themselves solely for the purpose of considering the tendered resignations and recommending to the Board whether to accept or reject them. This Board committee may, but need not, consist of all of the Independent Directors who received a majority of the votes cast with respect to their respective elections.

6. Inclusion in Proxy Statement. These Guidelines will be summarized or included in each proxy statement relating to an election of directors of the Corporation.

## C. **Responsibilities of Directors; Meeting Attendance and Preparation**.

1. General Responsibilities of Directors. The Board is responsible for providing oversight of the management and affairs of the Corporation. In their roles as directors, all directors are expected to: (i) exercise their business judgment in good faith and in what they reasonably believe to be the best interests of the Corporation and its stockholders; and (ii) act at all times in accordance with the Corporation's Code of Business Conduct and Ethics. In discharging their duties, directors are generally entitled to rely on the honesty and integrity of the Corporation's senior management and outside advisors and auditors.

2. Indemnification. Directors will be entitled to indemnification to the fullest extent permitted by law and by the Corporation's Restated Certificate of Incorporation and By-laws and to exculpation as provided by state law and by the Corporation's Restated Certificate of Incorporation. Directors will also be entitled to have the Corporation purchase reasonable directors' and officers' liability insurance on their behalf.

3. Agendas. The Chairman of the Board, in consultation with the Lead Director and the CEO (if individual is different than the Chairman), is responsible for setting an agenda for each Board meeting. Any other director may suggest items for inclusion on an agenda or may raise, at any Board meeting, subjects that are not on the agenda for that meeting.

4. Meeting Attendance and Preparation. Directors are expected to attend Board meetings and to spend the time needed to discharge their responsibilities as directors. Board materials will be circulated to the Board sufficiently in advance of meetings to allow for review and directors are expected to review all materials in advance of meetings.

5. Confidentiality. To foster open discussions, the proceedings and deliberations of the Board are confidential. Each director will maintain the confidentiality of non-public information received from the Corporation or its advisors or obtained in any way by virtue of serving as a director of the Corporation.

6. Attendance at Annual Meeting of Stockholders. Directors are expected to attend the annual meeting of the Corporation's stockholders.

7. Executive Sessions of Independent Directors. The Independent Directors are expected to meet, without management, in executive session at every regularly scheduled Board meeting. The Lead Director or, in his or her absence, another Independent Director designated by the affirmative vote of a majority of the Independent Directors, will preside at executive sessions.

8. Communications with Directors. Stockholders and other interested persons may communicate with any of the Corporation's directors, including the Lead Director or the Independent Directors as a group, by writing a letter addressed to the applicable director(s), c/o Northern Trust Corporation, 50 South LaSalle Street, M-9, Chicago, Illinois 60603, Attention: Corporate Secretary. Any stockholder or other interested person who has a particular concern regarding accounting, internal accounting controls or other audit matters that he or she wishes to bring to the attention of the Audit Committee of the Board may communicate those concerns by addressing a letter to the Audit Committee or its Chairman at the address indicated above. The

Corporate Secretary will review and forward communications to the appropriate member(s) of the Board. The Corporate Secretary need not forward or retain any communications determined to be mass mailings, routine solicitations for business or contributions, or communications determined not to be relevant to the performance of the duties of the Board.

9. Access to Employees. The Board expects that senior officers of the Corporation will regularly attend meetings of the Board and its committees, present proposals and otherwise assist in the work of the Board. Members of the Board will have direct access to any of the Corporation's employees.

10. Authority to Engage Advisors. The Board has the power to engage independent legal, financial or other advisors as it deems necessary, without consulting or obtaining the approval of any officer of the Corporation in advance, and the Corporation will pay any fees and expenses incurred in connection with such engagement.

## D. Committees of the Board.

1. Numbers and Composition of Committees. The Corporation will have at all times Audit, Business Risk, Corporate Governance, and Compensation and Benefits Committees. The Corporation also may establish or maintain additional Committees as the Board deems necessary or appropriate. The responsibilities of each Committee and any membership requirements are contained in such Committee's charter approved by the Board. The Corporation complies with all applicable Exchange Listing Standards and regulatory requirements concerning the membership of Board Committees, including those with respect to the independence of the directors who serve on those Committees. The Corporate Governance Committee reviews the Committee structure of the Board and the membership of the various Committees at least annually and makes recommendations for any changes to the Board.

2. Committee Chairmen and Membership. The Board believes that Committee assignments should be based on the director's knowledge, interests and areas of expertise. The Chairman of the Board will normally chair the Executive Committee. The Chairmanship of other Committees should change at intervals of approximately five years and there should also be a regular rotation in the membership of the Committees, balancing in each case the need for fresh perspective with the need for experience and continuity.

3. Committee Meeting Procedures. The Committee Chairman, in accordance with the Committee charter and in consultation with the Committee members, determines the frequency of Committee meetings. Directors are expected to attend meetings of the Committees on which they sit and to spend the time needed to discharge their responsibilities as members of those Committees. The Committee Chairmen report to the Board after each meeting, and minutes of the Committees are circulated to the Board.

## E. Role with Respect to Management.

1. Strategy. The Board is responsible for direct oversight of the Corporation's strategic direction and initiatives. Management is responsible for developing, proposing and implementing such direction and initiatives. The Board is expected to engage in an ongoing

dialogue with management regarding matters of the Corporation's strategy and review and approve the Corporation's strategic plan at least annually.

2. Evaluation of Senior Officers. A key responsibility of the Board is to monitor the performance of the CEO and, in consultation with the CEO, the performance of other senior officers. The Board, led by the Compensation and Benefits Committee, annually conducts a formal management development and succession planning review with respect to the position of CEO and other senior officers.

3. Succession Planning. The Board of Directors is responsible for succession planning for the position of CEO. The Compensation and Benefits Committee reviews and makes recommendations to the Board concerning management development and succession planning, which recommendations reflect Committee discussions, with and without the CEO, and the Board's annual management development and succession planning review. The Corporate Governance Committee discusses succession planning in the event of the unexpected death, incapacity or resignation of the CEO and recommends to the Board, after consultation with the Chairman of the Corporation's Compensation and Benefits Committee, an appropriate successor under such circumstances.

4. Speaking on Behalf of the Corporation. It is important that the Corporation speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. If a situation does arise in which it seems necessary for a non-employee director to speak on behalf of the Corporation to one of these constituencies, the director should consult with the CEO.

## F. Director Orientation and Continuing Professional Development.

All new directors are required to participate in an orientation program. The orientation program will include presentations by senior management to familiarize new directors with the Corporation's strategies; initiatives; principal officers; business units and plans; corporate governance and management structures; significant financial, accounting, and risk management issues; internal and independent auditors; compliance programs; and policies and codes of conduct to which directors are subject. Directors will receive additional information about these subjects and other continuing professional development topics through their regular meetings; meeting materials; presentations by management and/or outside parties concerning industry issues and other business, legal and regulatory matters; copies of corporate organizational documents; copies of periodic filings; and significant presentations made to investors. To further their continuing professional development, directors may elect to attend presentations and programs offered by various outside organizations, with appropriate expenses paid by the Corporation, if appropriate and relevant to serving as a director of the Corporation.

## G. Periodic Evaluation of Guidelines.

The Corporate Governance Committee of the Board reviews and reassesses these Guidelines at least annually and submits any recommended changes to the Board for its approval.

## H. Director Compensation, Stock Ownership and Annual Performance Evaluation.

1. Director Compensation. Director compensation will be set by the Board. The Compensation and Benefits Committee, with the assistance of any compensation consultant it may retain, reviews and provides recommendations to the Board with respect to the amount and composition of director compensation from time to time. In recommending director compensation, the Compensation and Benefits Committee considers the potential negative effect on director independence if director compensation and perquisites exceed customary levels.

2. Stock Ownership Guidelines. Within five years of election to the Board, directors who are not employees of the Corporation are required to hold shares of the Corporation's common stock equal to five times the annual cash retainer provided to directors. Directors serving as executive officers of the Corporation also are subject to certain stock ownership requirements based upon the role in which they serve at the Corporation, with the Corporation's CEO being required to hold eight times his or her base salary. Directors are expected to make progress toward attaining the applicable minimum stock ownership levels each year through the fifth anniversary of their election to the Board. If the minimum stock ownership level is not met by such date, or at any time after such date, the director will be required to retain 100% of the net, after-tax shares received from any equity or option awards granted to him or her until the minimum is met.

3. Annual Performance Evaluation. The Corporate Governance Committee has oversight responsibility of the Board's annual self-evaluation to determine whether the Board and its committees are functioning effectively and in compliance with these Guidelines. On behalf of the Corporate Governance Committee, such evaluation will be conducted by the Lead Director as described in Section A.4 above. The Corporate Governance Committee solicits comments from all of the directors and reports annually to the Board on its assessment of the Board's performance and its recommendations for improvement. All directors are encouraged to make suggestions at any time for the improvement of the Board's practices.

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# Exhibit A

**Categorical Standards of Director Independence**

The following directors shall not be considered "independent":

- a director who is or was an employee or executive officer of the Corporation, or whose Family Member is or was an executive officer of the Corporation, at any time during the past three (3) years;
- a director who receives or has received, or whose Family Member receives or has received, compensation from the Corporation in excess of $120,000 during any period of twelve (12) consecutive months within the past three (3) years, other than director and committee fees, benefits under a tax-qualified retirement plan, or other forms of nondiscretionary compensation; *provided, however*, that compensation received by a Family Member of a director for service as an employee (other than an executive officer) of the Corporation need not be considered in determining independence;
- a director who is, or whose Family Member is, a current partner of the Corporation's outside auditor, or who was a partner or employee of the Corporation's outside auditor who worked on the Corporation's audit at any time during any of the past three (3) years;
- a director of the Corporation who is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three (3) years any of the executive officers of the Corporation serve on the compensation committee of such other entity; or
- a director who is, or whose Family Member is, a partner in, a controlling stockholder of, or an executive officer of, any organization to which the Corporation made, or from which the Corporation received, payments for property or services in the current or any of the past three (3) fiscal years that exceed the greater of $200,000 or 5% of the recipient's consolidated gross revenues for that year, other than payments arising solely from investments in the Corporation's securities or payments under nondiscretionary charitable contribution matching programs.

"Family Member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

"Corporation" means Northern Trust Corporation and its subsidiaries and controlled affiliates, on a consolidated basis.