

Northern Trust Global Investments Limited

MIFIDPRU 8 Regulatory Disclosures

As of and for the year ended December 31, 2025

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Glossary of Terms

| | |
|---|---|
| AMRC | Asset Management Risk Committee |
| BRWG | EMEA Business Risk Working Group |
| CET1 | Common Equity Tier 1 |
| EMEA | Europe, Middle East, and Africa |
| EPW | EMEA Prudential Working Group |
| ERO | Enterprise Resiliency Office |
| FCA | Financial Conduct Authority |
| FOR | Fixed Overheads Requirement |
| GBCRS | Global Business Continuity and Recovery Services |
| HCCC | Human Capital and Compensation Committee |
| ICARA | Internal Capital Adequacy and Risk Assessment |
| IFPR | Investment Firm Prudential Regime |
| KFR | K-Factor Requirement |
| LATR | Liquid Assets Threshold Requirement |
| MRFB | Matters Reserved to the Board |
| MRT | Material Risk Taker |
| NED | Non-Executive Director |
| Non-SNI | Non- <i>“small and non-interconnected”</i> MIFIDPRU investment firm |
| NTAM | Northern Trust Asset Management division |
| NTC, Northern Trust or the Corporation | Northern Trust Corporation |
| NTGIL | Northern Trust Global Investments Limited |
| NTGIL Board | NTGIL Board of Directors |
| NTGIL RemCo | NTGIL Remuneration Committee |
| OFAR | Overall Financial Adequacy Rule |
| OFTR | Own Funds Threshold Requirement |
| Remuneration Code | FCA MIFIDPRU Remuneration Code |
| RMF | Risk Management Framework |
| SMCR | Senior Managers and Certification Regime |
| TNTC | The Northern Trust Company |

1 Overview and scope of application

1.1 Investment Firm Prudential Regime

The Investment Firm Prudential Regime (**IFPR**) provides the prudential framework applicable to Financial Conduct Authority (**FCA**)-regulated MiFID investment firms, with requirements tailored to firms' business models and risk profiles. In accordance with MIFIDPRU 8,¹ Northern Trust Global Investments Limited (**NTGIL**) is required to make public disclosures to enhance transparency and market discipline. This document presents NTGIL's MIFIDPRU disclosures as at the 2025 year end.

Under the FCA's MIFIDPRU Sourcebook, NTGIL is required to disclose information on the following topics:

- Risk management;
- Governance arrangements;
- Own funds;
- Own funds requirements; and
- Remuneration.

1.2 Scope of application

The scope of these disclosures is NTGIL, which is classified as a non-*"small and non-interconnected"* (**non-SNI**) MIFIDPRU investment firm per MIFIDPRU 1.2 of the FCA Handbook.² It is authorised and regulated by the FCA, with a firm reference number of 191916.

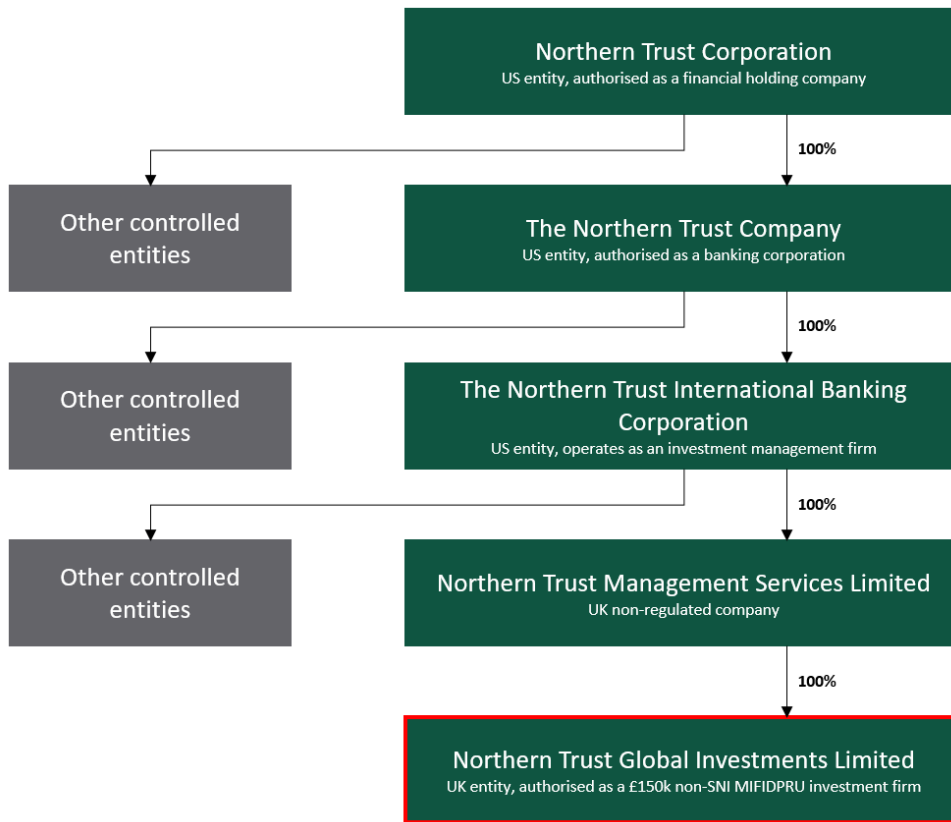
NTGIL is a subsidiary of Northern Trust Management Services Limited and is a legal entity undertaking the regulated activity of providing investment management services to clients. Its core activities comprise the distribution and provision of investment management solutions for global investors. NTGIL forms an active part in delivering the Northern Trust Asset Management division's (**NTAM's**) Europe, Middle East, and Africa (**EMEA**) strategy. NTGIL acts as investment manager to UCITS funds domiciled in the Republic of Ireland, the Netherlands, as well as to some on-UCITS funds and a number of Separately Managed Accounts with client directed investment guidelines.

The ownership structure of NTGIL within the overall Northern Trust Corporation (**NTC, Northern Trust, or the Corporation**) group structure is shown below.

¹ <https://handbook.fca.org.uk/handbook/mifidpru8>

² <https://www.handbook.fca.org.uk/handbook/MIFIDPRU/1/2.html>

Figure 1: NTGIL ownership structure



1.3 Location and frequency of disclosure

These disclosures are updated on an annual basis based on NTGIL’s financial year-end date of 31 December 2025 and published in the Investor Relations section of NTC’s website.³ They are completed in conjunction with NTGIL’s audited annual financial statements.

³ <https://www.northerntrust.com/united-states/about-us/investor-relations/financial-information-regulatory-disclosures>

2 Risk management objectives and policies

2.1 Overview

The NTGIL Board of Directors (the **NTGIL Board**) has primary responsibility for the oversight of risk management within the firm. The NTGIL Board is responsible for monitoring compliance with the firm's and Northern Trust Group's Risk Management Framework (**RMF**) in relation to risks faced by NTGIL, with the assistance of the NTGIL Risk and Audit Committee. This section presents information about NTGIL's exposure to risk, the firm's objectives and policies and processes for measuring and managing risk.

2.1.1 Risk Management Framework

Northern Trust has established an enterprise wide RMF to define, measure, monitor and control risk. It provides a comprehensive overview of how risk is managed across Northern Trust and the risk expectations for all partners. The RMF addresses three inter-related expectations:

- Ensure Northern Trust operates in a safe and sound manner by identifying and managing risks;
- Enable prudent risk-taking behaviour and appropriate partner conduct through discussion forums and governance bodies; and
- Facilitate effective definition and communication of acceptable risk appetite and reporting of results against appetite.

Anchored by Northern Trust's culture, values, and standards of ethical conduct, the RMF defines risk appetite and the approach for taking informed risks. Underpinning the RMF are governance bodies, policies, processes, systems and controls embedded across the lines of defence to support strategy, understand risks, inform decisions, and manage risks within risk appetite and in compliance with applicable laws and regulations.

As part of the ongoing operation of the RMF, NTGIL employs a "*three lines of defence*" model. The responsibilities across the three lines of defence are fundamental to the design and implementation of the RMF and taken together establish an appropriate operating model to control risk taking.

- Business unit line management i.e. the "First Line of Defence".
- Business unit risk management and Corporate Risk Management i.e. the "Second Line of Defence"; and
- Audit Services i.e. the "Third Line of Defence".

The guiding principles of global risk management include ensuring that partners at all levels are active participants in the risk management process, concurrent with the appropriate governance, oversight, investment and staffing, and that risks are assigned to specific owners while a segregation of duties is maintained.

2.1.2 Risk governance

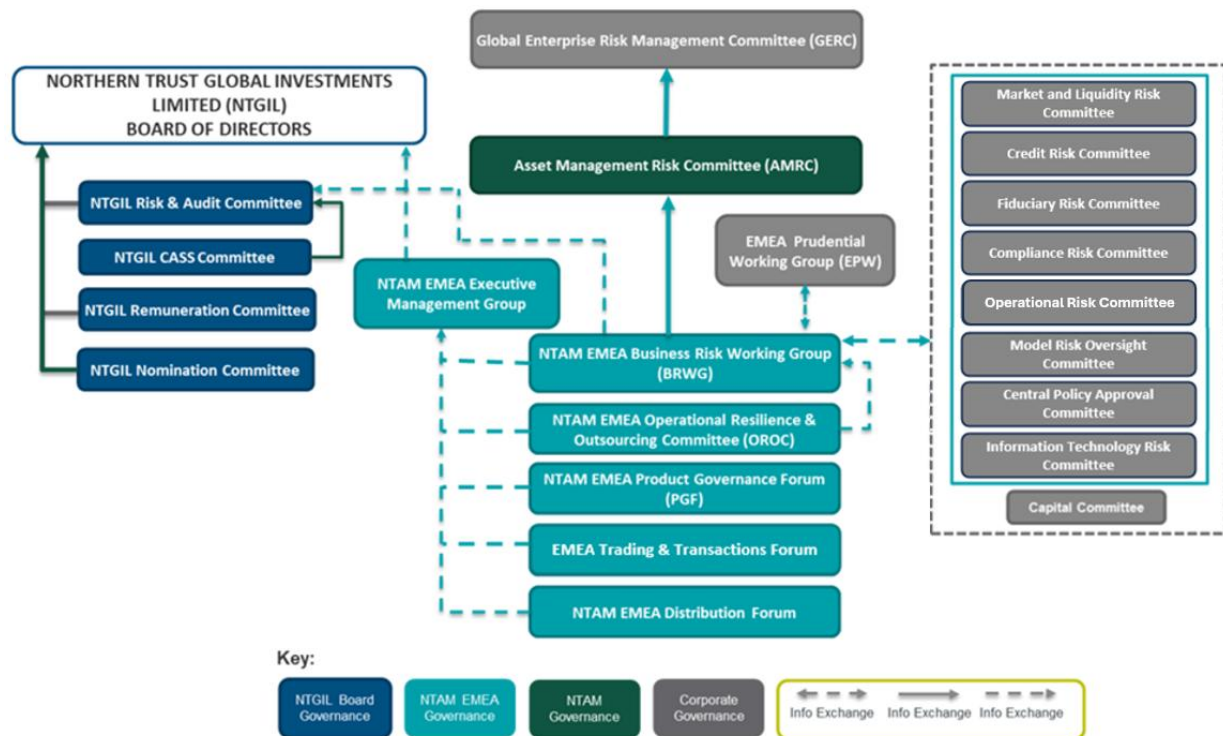
Risk governance is an integral aspect of corporate governance and focuses on the structure, processes and approach to the management of key risks inherent in the business. This well-defined governance framework includes:

- Roles and responsibilities of the Board of Directors, board committees, management and employees;

- Clearly defined accountabilities and expectations for all relevant parties;
- Processes for risk-based decision-making and escalation of issues;
- Sound systems for internal control; and
- Appropriate assurance processes.

The risk governance structure of NTGIL is set out below.

Figure 2: NTGIL Risk Governance Structure



The NTGIL RMF leverages wider Northern Trust Asset Management and Northern Trust Corporate committees to add an extra layer of review and challenge. Whilst these committees are not sub-committees of the NTGIL Board or the NTGIL Risk and Audit Committee (see Section 3.4 Risk Committee), they provide important further review and challenge to ensure best practice is being adhered to.

a) EMEA Business Risk Working Group

The primary purpose and responsibility of the EMEA Business Risk Working Group (**BRWG**) is to provide governance and oversight of the implementation and maintenance of the global RMF across the EMEA asset management legal entities. BRWG members review the Internal Capital Adequacy and Risk Assessment (**ICARA**) and provide challenge and review before the document is ultimately reviewed and approved by the NTGIL Board and the Risk and Audit Committee.

b) EMEA Operational Resilience and Outsourcing Committee

The NTAM EMEA Operational Resilience and Outsourcing Committee is primarily responsible for monitoring critical aspects of operational resilience and outsourcing for the in-scope EMEA legal entities with specific focus given to Important Business Services and the critical tasks required to ensure their delivery. The Committee will consider regulatory changes and industry best practice relating to Operational Resilience, Business Continuity and Disaster Recovery and Outsourcing.

c) Asset Management Risk Committee

The primary purpose of the Asset Management Risk Committee (**AMRC**) is to oversee the management of risks within the Asset Management business globally. The AMRC assesses how such risks are identified, monitored, controlled and mitigated. In its oversight role, the AMRC also considers and recommends enhancements to processes and procedures to further mitigate identified risks within the Asset Management Business Unit and legal entities.

The AMRC, chaired by the NTAM President is one of the core committees within Asset Management. Its membership includes the Asset Management Executive Team, the Chief Risk Officer and Chief Compliance Officer of Northern Trust, as well as Senior Leadership of the Business, Risk, Compliance, Finance, Internal Audit, and Legal.

d) EMEA Prudential Working Group

The EMEA Prudential Working Group (**EPW**) oversees financial prudential activities of entities in the EMEA region subject to EMEA regulatory supervision. EPW members review relevant prudential-related matters individually and collectively, providing challenge and review, prior to any decisions being made by the Board.

2.2 Principal risks and potential harms

The risk that NTGIL considers in executing its strategy is defined in the “*Risk Universe*” which provides structure to classify the inherent risks faced by the business. The Risk Universe is comprised of the following principal risk categories:

- Operational risk;
- Credit risk;
- Market risk;
- Liquidity risk;
- Strategic risk;
- Fiduciary risk; and
- Compliance risk.

For capital purposes, Northern Trust considers operational risk to include compliance and fiduciary risk, although each is governed and managed separately.

The risk profile of NTGIL is determined through a point in time assessment of inherent and residual risks across each of the risk categories below. The risk types outlined above are included in NTGIL’s own funds adequacy assessment using risk sub-category definitions to consider the broad population of risks to which NTGIL is exposed.

An assessment of the three harms (Harm-to-Client, Harm-to-Firm and Harm-to-Market) has been embedded within the NTGIL RMF from a top-to-bottom perspective and are a key consideration for stakeholders across the business. Evaluating and understanding the inherent and residual risks within NTGIL and their impacts on the material harms is the key starting point for the ICARA.

Once these risks have been identified, the regulatory own funds requirements must be understood and the adequacy of the own funds available against those requirements must be assessed over the assessment horizon and versus the three harms. For capital adequacy purposes, Northern Trust defines these risks as those that could have a significant impact on clients/counterparties, the market or the firm and these are mitigated through controls and adequate financial resources and/or maintaining

appropriate regulatory capital requirements. The impact could result from individual or a combination of risk events.

2.2.1 Operational risk

Operational risk is the risk of loss from inadequate or failed internal processes, human factors and systems or from external events. Operational risk is the potential that inadequate information systems, operating problems, product design and delivery difficulties, potential legal actions, or catastrophes will result in losses. For capital purposes, Northern Trust considers operational risk to include compliance and fiduciary risks. However, under the corporation's risk structure these risks are governed and managed explicitly. The objective is to manage operational risk so as to balance the avoidance of financial losses and reputational damage with overall cost effectiveness.

For NTGIL, transactional risk (execution, delivery & process management) and business disruption and system failures are considered the key components of operational risk which can have impacts to client and to the firm.

Transactional risk is the risk that a transaction is altered, delayed or not properly executed. Examples would include losses due to clerical error, procedural error or system technology failures.

Business disruption and system failures risk evaluates technology and business continuity risk which ultimately falls within the holistic view of NTGIL's operational resiliency.

Management of Business Continuity risk is co-ordinated by the NTAM Controls team and overseen by the Enterprise Resiliency Office (**ERO**). ERO helps to assess and co-ordinate incident response and recovery, and set standards for the content and testing of business continuity plans.

NTGIL's inherent operational risk is significantly mitigated through a well-established range of risk management programmes and business unit controls. NTGIL's Risk and Audit Committee oversees the effective management of its operational risk and reports to the NTGIL Board.

Line managers have the primary responsibility for managing the inherent risks of all activities under their control. As part of Northern Trust's operational risk management, various techniques are employed to identify current risks (including Risk and Control Self Assessments and Operational Loss Event Reporting). A Reconciliation and Exception Management Policy is in place which enables potential risk to be identified in a timely manner.

2.2.2 Credit risk

Credit risk is defined as the risk to interest income or principal from the failure of a borrower, issuer or counterparty to perform on an obligation.

For NTGIL, credit risk mainly arises from fee income that may not be received in respect of NTGIL's asset management services as well as the placement of the entity's capital on short term deposit with money market counterparties.

The counterparties used by the entity for investment of surplus cash are highly credit worthy financial institutions. The concentration risk of the placement of money market deposits with a limited number of counterparties is accepted.

The entity has robust processes and controls in place to mitigate the risk of loss from money market placements including pre-approved counterparty limits set by the Northern Trust Capital Markets Credit Committee (a sub-committee of the Northern Trust Credit Risk Committee) in accordance with the Corporate Credit Policy & Standards. In addition to maintaining placements of short durations, there is daily monitoring and reporting of exposures.

NTGIL's Risk and Audit Committee oversees the effective management of credit risk and reports to the NTGIL Board. None of NTGIL's credit exposures were reported past due or impaired in the 2025 financial statements. All receivables are repayable on demand or within 3 months.

2.2.3 Market risk

Market risk is not a material risk for NTGIL. Trading risk is the potential for movements in market variables such as foreign exchange and interest rates to cause changes in the value of trading positions. NTGIL trades for its clients on an agency basis and does not trade proprietary funds or hold trading inventory. There is some exposure to FX risk given the need to convert non-base currency income into base currency, however this is not material. Interest rate risk on the balance sheet is the potential for movements in interest rates to cause changes in net interest income and the market value of equity. Capital and reserves are invested in short term money market placements. The aim of this is to preserve capital and reserve levels rather than generate return and thus interest rate risk is minimal.

2.2.4 Liquidity risk

Liquidity risk is the risk of not being able to raise sufficient funds or collateral to meet balance sheet and contingent liability cash flow obligations when due because of firm-specific or market-wide events. Given the nature of its business, the main drivers of liquidity events are operational in nature; these risks are identified, monitored and managed via the NTGIL risk assessment framework.

Under Northern Trust's RMF, liquidity risk is governed by the Asset and Liability Management Committee from a first line of defence perspective, and the Market and Liquidity Risk Committee from a second line of defence perspective. NTGIL operates within this framework. Assessment and approval of the systems and controls used to manage liquidity risk is provided by the NTGIL Board. NTGIL is also subject to system and control requirements under the UK liquidity regime.

NTGIL does not take on customer deposits or trade as principal. Liquidity risk is limited to the management of day-to-day operating expenses or the potential need to fund a shortfall arising from client money rules. NTGIL has an overdraft facility provided by The Northern Trust Company (**TNTC**), which it may call upon in the unlikely event that a need arises.

Another important area of NTGIL's liquidity risk management is the development and maintenance of its individual Recovery Plan.

2.2.5 Strategic risk

Strategic risk is the risk of loss from the adverse effects of business decisions, or the improper implementation of those decisions, and the risk that internal or external forces impede the long-term plans of the business for growth, profitability and stability. NTGIL is exposed to strategic risk due to the impact of declining markets on assets under management which directly impacts fees generated and potential future revenue. If the events noted above were to crystallise, the most material harms will be to the client and the firm.

NTGIL is a wholly owned subsidiary of an overseas parent with a simple business model delivering a subset of global products. To achieve this, NTGIL recognises the importance of the strong global reputation and brand of Northern Trust. Northern Trust in turn, requires NTGIL to deliver the relevant global products to a standard that maintains the global reputation. Therefore, the management of strategic risk is a balance between actions taken at the group level and by the NTGIL Board.

For NTGIL, strategic risk is managed by the NTGIL Board. The NTGIL Board greatly benefits from the experience and oversight provided by its non-executive directors who are able to provide guidance and challenge on strategic issues. The NTGIL Board is also able to draw on NTGIL legal entity risk reporting,

NTGIL Risk and Audit Committee, EMEA Business Risk Working Group and Corporate risk governance structure, as well as risk management programmes to oversee strategic risk.

From a Northern Trust Group perspective, group strategic risk is managed by NTC's Board of Directors. NTC's Chief Executive Officer and senior management, including the Global Enterprise Risk Committee support the NTGIL Board in the performance of its functions.

2.2.6 Other Risks

2.2.6.1 Concentration Risk

Given the nature of its business model and the clients it services, NTGIL has determined that its concentration risk arises from the following limited sources:

- Non-cash credit exposures i.e. accounts receivables;
- The location of client money;
- NTGIL's own cash deposits; and
- Earnings.

Given the simple composition of NTGIL's balance sheet, non-cash credit exposures are generally intercompany receivable amounts. The control in place for these exposures is to ensure settlement within standard terms. This avoids an accumulation of an exposure to a single counterparty. Historically these receivables have been generally settled on a monthly basis as part of the overall Northern Trust intercompany settlement process.

NTGIL client money exposures arise through placing overnight time deposits for a subset of its securities lending cash reinvestment clients. Given the overnight nature of these deposits and the strategy of placing the client money at an institution offering the most favourable rate of return, there is a low inherent concentration to any one particular counterparty.

For own cash deposits, there is a limit in place which is to hold at least the net cost of winding down, in at least one bank account external to the Northern Trust Group. While there is inherent concentration in placing funds within the Northern Trust group, the separate wind-down requirement ensures that in a worst-case scenario, there are sufficient funds and/or marketable assets available outside of the wider Northern Trust group to generate liquidity. This balance is monitored monthly as part of the established treasury monitoring process of liquid assets.

Earnings concentration is monitored through a revenue concentration index that has been developed in order to monitor the evolution of revenue concentration over time.

Regulatory reporting on concentration risk (MIF004 return) is submitted to the FCA on a quarterly basis so as to allow the FCA oversight of the following types of concentrations in relation to NTGIL:

- Top five largest exposures (excl. intergroup exposures);
- Intragroup exposures only;
- Location of client money;
- Location of NTGIL's own cash balances and the percentage of holdings at a particular institution; and
- Top five revenue generating clients and the percentage of total revenue earned from each client.

2.2.6.2 Group Risk

Group risk is not a standalone risk theme or category however it is directly considered as a risk type under Liquidity Risk (liquidity funding risk) and Strategic Risk (business, group, or expansion plan risk). NTGIL

also considers group risk during review of the remaining risk categories above given the global nature of Northern Trust's operating model.

NTGIL as a subsidiary of TNTC has an inherent reliance on other parts of the Group, both financially and operationally, which can give rise to potential risks for the entity.

2.3 Risk Appetite

Risk Appetite is defined as the aggregate level and types of risk the NTGIL Board and senior management are willing to assume to achieve the entity's strategic objectives and business plan, consistent with prudent management of risk and applicable capital, liquidity and regulatory requirements. It includes consideration of the likelihood and impact of risks, using both monetary loss and non-financial threshold and guideline levels that are used as triggers for escalation to senior management, appropriate risk committees and the NTGIL Board.

NTGIL establishes individual Risk Appetite Statements and measures by Risk Themes. The Risk Appetite is focused on, and dynamically informed by, key risks and associated risk assessments supported by an array of core measures. The core measures are reported as part of the quarterly NTGIL risk report which is escalated to the BRWG and NTGIL Risk and Audit Committee.

The NTGIL Risk Appetite Statement is reviewed and approved on at least an annual basis by the NTGIL Board.

2.3.1 Adequacy of Risk Management Arrangements

The NTGIL Board is satisfied that the existing risk management arrangements are sufficient with regard to the profile and strategy of the business. The Board also confirms that the disclosures contained within this document accurately reflect the risk profile of the business based on the activities it undertakes.

3 Governance arrangements

3.1 Effective implementation of governance arrangements

It is a requirement for a firm to ensure that the management body, the NTGIL Board, defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients.

So that these responsibilities are undertaken, the NTGIL Board has Matters Reserved to the Board (**MRFB**) in place which provides the framework to ensure that it:

- Has overall responsibility for the firm;
- Approves and oversees implementation of the strategic objectives, risk strategy and internal governance of NTGIL;
- Ensures the integrity of the accounting and financial reporting systems of NTGIL, including financial and operational controls and compliance with the regulatory system;
- Oversees the process of disclosure and communications;
- Has responsibility for providing effective oversight of senior management;
- Monitors and periodically assesses the following:
 - The adequacy and implementation of the strategic objectives of NTGIL when servicing its clients' needs;
 - The effectiveness of its governance arrangements;
 - The adequacy of the policies relating to the provision of services to clients, taking appropriate steps to address any deficiencies; and
- Has adequate access to information and documents which are needed to oversee and monitor management decision-making.

Evidence of the discharge of these responsibilities is found within the NTGIL Board Packs distributed to members of the NTGIL Board and formal minutes taken at each meeting.

The apportionment of responsibilities and governance structure for the entity is outlined in the NTGIL Management Responsibilities Map maintained internally.

The NTGIL Board generally meets on a quarterly basis and on ad hoc occasions as required.

Information for dealing with conflicts of interest is set out in the EMEA Client Conflicts of Interest & Inducements Policy document which is applicable to all regulated Northern Trust EMEA entities and approved all Boards/Management Committees of the EMEA entities covered by the policy, including the NTGIL Board. The policy sets standards and controls regarding the identification, recording, management and monitoring of conflicts of interest and inducements.

NTGIL is classified as an enhanced solo regulated firm under the Senior Managers and Certification Regime (**SMCR**).

To ensure the members of the NTGIL Board are competent to carry out their duties and meet the requirements to manage NTGIL on a sound and prudent basis, an annual fit and proper assessment under the SMCR is undertaken to take reasonable steps to ascertain that members holding SMF positions:

- Are of sufficiently good repute, demonstrated through an annual attestation and a three-yearly screening;
- Possess sufficient knowledge, skills and experience to perform their duties;
- Possess adequate knowledge, skills and experience to understand the firm's activities, including the main risks;
- Specific to the independent non-executive directors of the NTGIL Board, commit sufficient time to perform their functions in the firm; and
- Act with honesty and integrity.

Additionally, the NTGIL Board undergoes an annual board performance effectiveness review and an annual collective suitability assessment to ensure the board and its committees' governance operates effectively and the composition of the board and its committees provides for:

- Appropriate knowledge, skills and experience to discharge the duties conferred upon the board and its committees as outlined in the MRFB and committees' terms of reference;
- Independence of mind to effectively assess and challenge the decisions of senior management; and
- Effective oversight to monitor management decision-making.

The outcomes of the effectiveness and suitability reviews drive any additional training requirements for members of the board, organised by the Company Secretarial team.

3.2 NTGIL Board Directorships

All executive directors of the NTGIL Board are required to obtain approval for any directorships held in organisations external to Northern Trust. Non-executive directors (**NEDs**) are required to avoid taking up any appointments during their tenure which would give rise to a conflict of interest. During the 2025 performance year, two directors of the NTGIL Board held a total of five directorships for organisations outside of Northern Trust.

Per MIFIDPR 8.3.1R(2), NTGIL is required to disclose the number of directorships held by each member of the NTGIL Board. This does not include any directorships held within the Northern Trust Corporation group of companies nor directorships held in organisations which do not pursue predominantly commercial objectives.

This information is presented in the table on the following page:

Table 1: NTGIL director external directorships as at 31 December 2025

| Director name | Senior Management Function | No. of Directorships | |
|---------------------|--|----------------------|---------------|
| | | Executive | Non-executive |
| Adam Hallsworth | SMF2 Chief Finance Function SMF3 Executive Director | 0 | 0 |
| Anna Hull | SMF3 Executive Director SMF4 Chief Risk Function | 0 | 0 |
| Bimal Shah | SMF3 Executive Director | 0 | 0 |
| Carolyn Aitchison | SMF 12 Chair of Remuneration Committee | 0 | 2 |
| James Rippey | SMF3 Executive Director SMF24 Chief Operations Function | 0 | 0 |
| Richard Bartholomew | SMF3 Executive Director | 0 | 0 |
| Yves Dermaux | SMF9 Chair Function SMF10 Chair of Risk Committee SMF11 Chair of Audit Committee SMF13 Chair of Nominations Committee | 0 | 3 |

The following changes to the Board occurred during 2025:

- John McCareins resigned as a Director on 19 March 2025;
- Jane Vessey served as a Director until 9 June 2025; and
- Carolyn Aitchison was appointed an Independent Non-Executive Director on 31 July 2025.

Note: Pedro Guazo was appointed to the NTGIL Board on 16 March 2026 (post-reference date of these disclosures) performing the SMF1 (Chief Executive) and SMF3 (Executive Director) roles. Previously, Richard Bartholomew held Interim CEO responsibilities pending the regulatory approval of Mr Guazo. Richard Bartholomew held these responsibilities from 19 March 2025, following the resignation of the former SMF1, John McCareins.

3.3 Policy promoting diversity on the NTGIL Board

Northern Trust’s focus on fostering an intentionally inclusive culture welcomes and values the experiences, perspectives, and viewpoints of all employees, enabling a work environment for everyone to listen, collaborate, and learn from each other.

Northern Trust is proud to be an equal opportunity employer. It is our policy to provide equal employment opportunities to all employees and applicants in all phases of employment. In line with our commitment to conduct business in a way that respects the human rights, dignity and equality of people, Northern Trust expressly prohibits any discriminatory practice based on age, race, religion, belief, gender, national origin, citizenship status, disability, marital status, pregnancy, sexual orientation, gender identity, gender expression, or any other legally protected status defined in local law. All employment decisions are made in a non-discriminatory manner. This includes human resources’ decisions relating to compensation, recruitment, redundancy, termination, terms and conditions of employment, transfers, appraisals and promotions, conduct at work, disciplinary and grievance procedures and access to learning and development. Employees are required to ensure that they do not, by their own actions, behaviour or attitudes, directly, indirectly, intentionally or otherwise discriminate against job applicants, employees, clients, vendors, contractors and temporary workers.

Northern Trust also operates a UK Board Diversity Policy pursuant to which it is committed to an inclusive approach in respect of appointments of both external Independent Non-Executive Directors and internal employee Board members to attract a broad set of qualities and competencies. Prior to any proposed

appointment to the Board, individual and collective suitability assessments are undertaken to evaluate the balance of skills, knowledge, and experience on the Board.

In anticipation of changes to the composition of the Board, Northern Trust considers the different perspectives and lived experiences represented on the Board when assessing nominees.

Northern Trust regularly reviews its process for the selection and appointment of Board members and make changes as necessary to ensure the leadership needs of the organisation, both executive and non-executive are being met.

In line with its commitments under the HM Treasury UK Women in Finance Charter, Northern Trust also sets a recommended gender goal of 38% female for the NTGIL Board, with the provision that there is a board composition agenda item added to two Board meetings per year to monitor progress and discuss levers available to meet the goal and identify opportunities for emerging talent. As of December 2025, there are seven members of the NTGIL Board, of which two are female. Northern Trust remains committed to improving its diverse talent's readiness for Board positions and purposefully integrates talent pipelining and Board readiness training and development into existing HR practices.

3.4 Risk Committee

MIFIDPRU 7.3.1R requires a firm to establish a risk committee if it exceeds thresholds in relation to the value of on-balance sheet assets and off-balance sheet items (including off-balance sheet considerations), and where necessary, the size of the firm's on- and off-balance sheet trading book and derivative positions.

NTGIL does not meet the thresholds required to establish a risk committee. However, as set out in Section 2, the NTGIL Board has established a Risk and Audit Committee which is a sub-committee of the NTGIL Board to provide oversight of risks on behalf of the Board.

4 Own funds

4.1 Composition of own funds

Own funds of NTGIL are made up solely of Common Equity Tier 1 (CET1) capital instruments. The table below sets out a breakdown of the composition of own funds.

Table 2: OF1 - Composition of regulatory own funds

| Item | Amount (\$000) | Source based on reference numbers/letters of the balance sheet in the audited financial statements |
|--|----------------|--|
| 1 OWN FUNDS | 187,554 | |
| 2 TIER 1 CAPITAL | 187,554 | |
| 3 COMMON EQUITY TIER 1 CAPITAL | 187,554 | |
| 4 Fully paid up capital instruments | 21,275 | <i>Financial Statements - Note 15</i> |
| 5 Share premium | 5,325 | <i>Financial Statements - Note 16</i> |
| 6 Retained earnings | 160,954 | <i>Financial Statements - Note 17</i> |
| 7 Accumulated other comprehensive income | 0 | |
| 8 Other reserves | 0 | |
| 9 Adjustments to CET1 due to prudential filters | 0 | |
| 10 Other funds | 0 | |
| 11 (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 | 0 | |
| 19 CET1: Other capital elements, deductions and adjustments | 0 | |
| 20 ADDITIONAL TIER 1 CAPITAL | 0 | |
| 21 Fully paid up, directly issued capital instruments | 0 | |
| 22 Share premium | 0 | |
| 23 (-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1 | 0 | |
| 24 Additional Tier 1: Other capital elements, deductions and adjustments | 0 | |
| 25 TIER 2 CAPITAL | 0 | |
| 26 Fully paid up, directly issued capital instruments | 0 | |
| 27 Share premium | 0 | |
| 28 (-) TOTAL DEDUCTIONS FROM TIER 2 | 0 | |
| 29 Tier 2: Other capital elements, deductions and adjustments | 0 | |

4.2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below shows a reconciliation of regulatory own funds to the balance sheet in the audited financial statements, where assets and liabilities have been broken down by asset and liability classes respectively.

Table 3: OF2 - Reconciliation of regulatory own funds to the audited financial statements

| | a | b | c |
|-----------------------------|---|---|---------------------------------|
| | Balance sheet as in published/audited financial statements (\$'000) | Under regulatory scope of consolidation | Cross reference to template OF1 |
| | As at year end 31 December 2025 | As at year end 31 December 2025 | |
| Assets | | | |
| 1 | Loans and advances to banks | 156,998 | |
| 2 | Cash and cash equivalents | 28,625 | |
| 3 | Debtors | 24,489 | |
| | Total Assets | 210,112 | |
| Liabilities | | | |
| 1 | Creditors: amounts falling due within one year | 22,558 | |
| | Total Liabilities | 22,558 | |
| Shareholders' Equity | | | |
| 1 | Called up share capital | 21,275 | Item 4 |
| 2 | Share premium account | 5,325 | Item 5 |
| 3 | Profit and loss account | 160,954 | Item 6 |
| | Total Shareholders' equity | 187,554 | |

4.3 Main features of own instruments issued by the firm

The table below provides information on the share instruments issued by NTGIL. All instruments qualify as CET1 capital, and no Additional Tier 1 or Tier 2 capital has been issued. All shares are owned by the parent of NTGIL, Northern Trust Management Services Limited.

Table 4: Main features of own instruments issued by NTGIL

| | |
|--|---------------------|
| Type of placement | Private placement |
| Instrument type | Ordinary shares |
| Amount recognised as regulatory capital | \$21,275,000 |
| Nominal amount of instrument | \$21,275,000 |
| Issue price | \$1 each |
| Dividend payments | Fully discretionary |

5 Own funds requirements

5.1 Own funds requirements

As a non-SNI MIFIDPRU investment firm, NTGIL must maintain own funds that are at least equal to its own funds requirement at all times, with the own funds requirement being the highest of:

- The permanent minimum capital requirement of £150,000;
- The fixed overheads requirement (**FOR**); and
- The K-factor requirement (**KFR**).

NTGIL’s own funds requirement is equal to its total KFR as this is greater than both its FOR and permanent minimum capital requirement.

The NTGIL own funds requirement as at 31 December 2025 is set out below.

Table 5: OFR1 - MIFIDPRU 4.3 compliance

| Own Funds Requirement item | £000* | £000* |
|---|---------------|---------------|
| | 2025 | 2024 |
| Permanent minimum capital requirement | 150 | 150 |
| Fixed overheads requirement | 13,575 | 14,358 |
| Sum of K-AUM, K-CMH & K-ASA requirements | 30,190 | 26,832 |
| Sum of K-COH & K-DTF requirements | 1,857 | 1,667 |
| Sum of K-NPR, K-CMG, K-TCD & K-CON requirements | 0 | 0 |
| Total KFR | 32,047 | 28,499 |
| Binding requirement | 32,047 | 28,499 |

* Although NTGIL’s functional reporting currency is US Dollar, values are shown in in Sterling-equivalent to align with regulatory reporting submitted to the FCA.

5.2 Approach to assessing adequacy of own funds

NTGIL is required to comply with the Overall Financial Adequacy Rule (**OFAR**) which is defined as the following in the FCA’s Handbook Chapter MIFIDPRU 7.4.7R:

“A firm must, at all times, hold own funds and liquid assets which are adequate, both as to their amount and their quality, to ensure that:

- The firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and*
- The firm’s business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.”*

In order to ensure compliance with the OFAR, NTGIL operates an ICARA process. The ICARA process is the collective term for the internal systems and controls that NTGIL operates to identify and manage potential material harms that may arise from the operation of its business, and to ensure that its operations can be wound down in an orderly manner.

The ICARA is undertaken at least once every 12 months.

5.2.1 Business operations

The NTGIL risk management framework identifies and assesses the material potential harms inherent within NTGIL business operations and the extent that current processes and controls serve to mitigate the risk of harm occurring across clients, counterparties, the market and the firm itself. Where these harms cannot be mitigated fully, a further assessment has been completed against the adequacy of the calculated own funds requirement (Section 5.1 of this document).

An assessment of harms across a series of key risk scenarios are mapped to harm-to-client, harm-to-firm and harm-to-market categories to determine the financial impacts associated with identified harms.

This assessment is input into either a statistical model which also considers all of the firm's previous loss history, probability and impact of the key risk scenarios used, or held as an additional capital add-on. The output of this is compared to the own funds requirement to assess the adequacy of the amount relative to the harm inherent in business operations.

Where this process identifies an increased requirement above the calculated own funds requirement, additional own funds are held to mitigate the identified material potential harms.

5.2.2 Wind-down

NTGIL undertakes a wind-down planning process which ensures sufficient own funds and liquid assets are held to undertake an orderly wind-down in the rare event that one is required. This process covers the following:

- An assessment of the scenarios which may cause NTGIL to wind down;
- Reporting on the indicators of a wind-down scenario occurring;
- Assessment of harm to key stakeholders of NTGIL winding down; and
- The wind-down process.

Based on the actions above, a quantitative assessment is undertaken to determine the amount of own funds and liquid assets required to wind-down the business, minimising the risk of harm to the stakeholders identified as part of the assessment.

5.2.3 Key conclusions

As part of the ICARA process, NTGIL has established both an own funds threshold requirement (**OFTR**) and a liquid assets threshold requirement (**LATR**), which set out the minimum own funds and liquid assets required to be held by the firm to meet regulatory requirements.

Based on the ICARA, the NTGIL Board has determined that sufficient own funds and liquid assets are held to meet the OFTR and LATR and considers that NTGIL complies with the OFAR.

6 Remuneration policy and practices

6.1 Qualitative disclosures

6.1.1 Introduction and Scope

This disclosure is made in accordance with MIFIDPRU 8.6 of the FCA Handbook and the FCA MIFIDPRU Remuneration Code (the “**Remuneration Code**”). It provides an overview of the remuneration policies, practices and framework applicable to NTGIL. NTGIL is subject to the “basic” and “standard” requirements of the Remuneration Code set out in SYSC 19G of the FCA Handbook, though NTGIL voluntarily applies deferral for certain levels of variable pay, as set out in the section “Delivery of variable remuneration” below.

6.1.2 Remuneration principles

Northern Trust’s approach to compensation is underpinned by a common set of guiding principles that define how remuneration programmes are designed and delivered. While our compensation approach is applied consistently across the organization, including NTGIL, specific compensation programmes may be tailored locally to meet the unique talent needs and regulatory requirements of our diverse businesses and locations. The guiding principles of our compensation approach are:

- Aligned with business strategy – The design and delivery of Northern Trust’s compensation programmes align with short- and long-term strategic goals.
- Performance oriented and client-centric – Compensation programmes provide distinct recognition and differentiated rewards to the highest performers who consistently achieve superior results.
- Market competitive – Compensation programmes are designed to be market competitive, enabling Northern Trust to attract and retain talent needed to deliver on its strategy.
- Risk balanced – Compensation programmes are appropriately risk balanced and designed with strong governance and oversight to avoid any unnecessary risks.
- Flexible – Compensation programmes are globally consistent and rooted in common processes but locally applied to reflect appropriate talent management needs.
- Well-administered and communicated – The goal is for compensation programmes to be communicated in a clear and engaging way for maximum impact and understanding.

Compensation and benefit programmes are intended to motivate employees to deliver the highest-quality service to clients and achieve the greatest collective business results, while appropriately managing risk in compliance with the Remuneration Code. They are designed, implemented and communicated to promote behaviours that are consistent with Northern Trust’s desired culture, character and enduring values of service, expertise, and integrity. Compensation programmes are reviewed regularly to ensure Northern Trust can attract and retain talent in relevant markets.

6.1.3 Compensation Design and Structure

We ensure our employees are compensated fairly by aligning their total compensation with market competitive pay for their roles, experience and performance. Compensation structure at NTGIL is comprised of an appropriate balance of fixed and variable remuneration components. Fixed and variable compensation elements are not set independently; rather, a holistic approach is adopted to establish the total compensation of each employee. The mix of remuneration elements (both fixed and variable) varies

depending on the employee's role and level. The fixed component represents a sufficiently high proportion of the total compensation to operate a fully flexible variable compensation policy.

Fixed remuneration

Fixed compensation includes salary and benefits:

- Salaries are set to enable NTGIL to attract and retain talent by providing a competitive level of pay reflecting each individual's position, experience, qualifications and tenure; and
- Benefit programs are designed to be locally competitive, to meet the needs of employees and their families, and to reflect the cultural values of the organisation.

Variable remuneration

As for variable remuneration, Northern Trust (including NTGIL) employees are eligible for an annual discretionary variable incentive award. This is designed to drive Northern Trust's pay-for-performance focus by making a meaningful portion of total compensation variable and directly aligned with our values, strategy and long-term objectives. Incentive compensation is linked to both financial and non-financial performance criteria, including risk considerations, with performance assessed at the individual, business unit and overall firm level. While all employees are eligible for the incentive compensation program, the intent of these programs is to differentiate and reward performance of employees who help deliver superior team or individual results.

Variable remuneration is generally determined annually at the end of the calendar year, which coincides with NTGIL's business cycle, allowing relevant current and future risks applicable to NTGIL and its business units to be factored into the quantum of the relevant awards.

In addition to annual incentives, NTGIL may offer other variable compensation components such as guarantees, buy-out, retention and recognition awards. Guaranteed variable remuneration is exceptional and offered to new hires only in relation to their first year of service, subject to NTGIL having a solid capital base. In the event of termination, any severance payments must be in accordance with NTGIL's policies and reflect performance achieved over time and not reward failure or misconduct.

Delivery of variable remuneration

For employees whose variable remuneration exceeds certain levels, a meaningful portion of the incentive award is deferred. The percentage of variable remuneration that is deferred increases progressively with higher variable incentive amounts according to a pre-defined schedule.

For employees eligible for deferred awards, variable remuneration is therefore split into two components:

- **Short Term Incentives:** this component is normally delivered in the form of cash paid out to the partner in the first quarter of the year after the conclusion of a performance year; and
- **Long Term Incentives:** this component is delivered through Northern Trust equity plans and typically takes the form of restricted stock units.

This deferral approach allows NTGIL to extend the horizon over which individual performance is evaluated, supports the alignment of employees and investor interests and ensures that NTGIL's approach to risk management supports the interests of all stakeholders. Equity awards incentivise employees to contribute to the sustainability and long-term success of Northern Trust and help to mitigate imprudent risk-taking. Equity incentives typically vest over a four-year period.

6.1.4 Performance management – Linking variable remuneration with performance

Northern Trust's annual performance management process includes goal setting, mid-year check-ins, multi-rater feedback, and year-end reviews. Strategic corporate priorities are set by our Chairman and

CEO and are applied to each business, team and individual. Individual employees are asked to discuss and agree with their manager their goals for the year in Q1. Managers are encouraged to provide regular feedback and real-time coaching to drive performance outcomes and facilitate development.

At company and business unit levels, the performance assessment is based on a percentage of pre-tax income as well as several other factors, such as the quality and sustainability of our earnings, market position and risk management, including regulatory compliance. Goals set for teams and individuals are aligned with the priorities of the business. In order to determine an employee's pay and incentive allocation, managers will take into consideration discretionary assessment of specific objective and subjective factors such as:

- Corporate and business unit performance;
- Performance within a standard risk expectation for all partners;
- Prior and expected individual performance and long-term impact; and,
- Teamwork and individual contributions.

Annual review processes for all employees include performance expectations related to the monitoring and mitigation of risk. In completing the annual performance evaluation and compensation planning, managers receive information on how to incorporate appropriate performance expectations relative to the management of risk into the review process. As part of the annual salary review and incentive process, managers recommend total compensation reflecting their discretionary assessment of qualitative and quantitative factors including performance against risk expectations. As these business and financial goals are achieved, employees are rewarded accordingly to reinforce the value of their contribution (the "what") as well as their behaviour (the "how").

Employees engaged in the internal control functions are independent from the business units they oversee and have appropriate authority. They are remunerated in accordance with the achievement of the objectives linked to their functions, and the amount of their variable compensation is not linked to the performance of the business units they control.

Throughout the performance year, an employee's conduct and performance are monitored by their Manager, Compliance and HR. Instances of behaviours or conduct falling below the expected standards may impact performance and reward outcomes via in-year adjustments, malus and/or clawback. The impact to variable remuneration is proportionate to the severity of the risk and conduct outcome and variable remuneration can be reduced to zero, if appropriate. All employees are subject to the Northern Trust Policy on Recoupment, which defines the conditions under which certain incentive compensation may be required to be returned, repaid, cancelled or forfeited. Variable remuneration awarded to NTGIL Material Risk Takers (**MRTs**) is also subject to malus and clawback for a period of at least seven years from grant in accordance with the Northern Trust UK and Luxembourg Policy on Malus and Clawback. Under this policy downward adjustment of an MRT's variable remuneration can be considered where there is evidence of including but not limited to, the following:

- Misconduct leading to material losses;
- Material error or misbehaviour resulting in a significant failure of risk management; or
- A significant failure or breach of fitness and propriety obligations.

Cases involving MRTs that may result in malus and/or clawback are reviewed and approved by the NTGIL Remuneration Committee (**NTGIL RemCo**).

6.1.5 Identification of Material Risk Takers

Individuals whose professional activities are deemed to have a material impact on a NTGIL's risk profile are classified as MRTs in accordance with the criteria set out in the Remuneration Code, including the factors and indicators specified in SYSC 19G.5.3 to 19G.5.5. Such MRTs have been categorised as:

- **Senior Manager MRTs** – Individuals who are registered with the FCA in a senior management function including members of the board of directors of NTGIL and heads of control functions; and
- **Standard MRTs** – Individuals that could have the ability to impact the risk profile of NTGIL. They include (but are not limited to) heads of business units that undertake certain types of activity, individuals responsible for managing a material risk within NTGIL, and voting members of certain committees authorised to make decisions under a delegation from the Management Body.

6.1.6 Ratio between fixed and variable remuneration

Under SYSC 19G.4.6R of the Remuneration Code, NTGIL has set an appropriate maximum ratio between the variable and the fixed component of the total remuneration awarded to MRTs. Where necessary, different maximum ratios can be set for different categories of staff, and from one performance period to the next. These ratios are set internally and are approved by the NTGIL RemCo.

6.1.7 Governance and Compensation Policies

The Human Capital and Compensation Committee (**HCCC**) is a committee of the Board of Directors of Northern Trust Corporation, the parent company headquartered in Chicago IL, USA. The HCCC has primary responsibility for ensuring that compensation programs align with Northern Trust's compensation philosophy and objectives, including oversight of the processes through which the company reviews its incentive plans within the context of business risk mitigation in compliance with the Remuneration Code.

The HCCC consists of independent non-executive directors and has Meridian Compensation Partners LLP as its independent consultant. The HCCC confers with its independent compensation consultant to ensure that decisions and actions are consistent with shareholders' long-term interests and compensation-related best practices within the financial services industry, including effective risk management within our compensation framework.

The NTGIL RemCo has also been established by the NTGIL Board at a local level, with the membership consisting of two independent non-executive directors of the NTGIL Board (including the chair). NTGIL RemCo had no external advisor in 2025. The NTGIL RemCo typically meets three times in a year.

The role of the NTGIL RemCo is to provide support and advice to the NTGIL Board on the design and review of the NTGIL's remuneration policies, practices and processes, and to monitor and implement the NTGIL regulatory remuneration requirements in line with the Remuneration Code.

The responsibilities of the NTGIL RemCo include:

- An annual review the NTGIL's Remuneration Framework;
- A review of the criteria for the identification of MRTs and the final list of partners designated as MRTs; and
- A review of the performance and remuneration outcomes for MRTs. In addition, the NTGIL RemCo has discretion to recommend downward adjustments to all forms of variable remuneration at each decision point (including the use of in-period adjustments, malus, and,

where appropriate, clawback). When exercising this discretion, the NTGIL RemCo takes into account NTGIL’s risk events as well as any relevant additional input from other functions.

In carrying out the duties outlined above, the NTGIL RemCo is supported by the EMEA region Risk and Compliance, Finance and Human Resources functions. The Human Resources function provides ongoing advice to the NTGIL RemCo including, where necessary, coordinating the engagement of any third-party experts to advise on remuneration-related matters.

6.2 Quantitative disclosures

Off-cycle awards such as guarantee, buy-out, retention, recognition and severance awards also form part of variable remuneration for maximum ratio calculations. Where applicable, these awards have been included as part of aggregate variable remuneration. The following table shows aggregate remuneration details in respect of NTGIL MRTs and all other staff in accordance with the Remuneration Code.

In 2025, NTGIL had 121 staff members, 21 of whom were MRTs.

Table 6: NTGIL staff remuneration breakdown

| Role | Headcount | Fixed remuneration (£m) | Variable remuneration (£m) | Total remuneration (£m) |
|--------------------------------|------------|-------------------------|----------------------------|-------------------------|
| Senior Management ⁴ | 18 | 4.1 | 2.2 | 6.3 |
| Other MRTs | 3 | 0.7 | 0.6 | 1.3 |
| All other staff | 100 | 11.3 | 3.98 | 15.21 |
| Total | 121 | 16.1 | 6.76 | 22.87 |

Over the course of 2025, NTGIL made no severance awards but granted one guarantee to an MRT. In line with the exemption set out in MIFIDPRU 8.6.8R(7), NTGIL is unable to provide further detail on the guaranteed award to prevent the identification of the particular MRT and to preserve the confidential nature of the individual’s remuneration.

⁴ For the purposes of these MIFIDPRU disclosures, ‘Senior Management’ includes those categorised as Senior Manager MRTs