

**NORTHERN TRUST CORPORATION  
CAPITAL GOVERNANCE COMMITTEE CHARTER**

**Effective October 16, 2018**

**(Supersedes the Capital Governance Committee Charter Adopted on October 17, 2017)**

The By-laws of Northern Trust Corporation (the “Corporation”) provide that the Board of Directors of the Corporation (the “Board”) shall appoint annually a Capital Governance Committee (the “Committee”) and its Chairman (the “Committee Chairman”). The By-laws also provide that the Committee shall perform such functions as are set forth in a Capital Governance Committee charter, as adopted by the Board. This Committee Charter also governs the Committee as and when it acts as the Capital Governance Committee of the Board of Directors of The Northern Trust Company (the “Bank”).

**I. Purpose.**

The purpose of the Committee is to assist the Board in discharging its oversight duties with respect to capital management and resolution planning activities of the Corporation and its consolidated subsidiaries (collectively, “Northern Trust”).

**II. Committee Membership.**

The Committee shall consist of at least three directors, each of whom shall be an “independent director” under the Corporation’s Corporate Governance Guidelines. All Committee members shall have, in the judgment of the Board, the experience, expertise and judgment necessary to evaluate information presented to the Committee with respect to Northern Trust’s capital management and resolution planning activities in the context of the Corporation’s overall strategic plans and initiatives.

Members of the Committee, including its Chairman, shall be appointed annually by the Board taking into consideration the recommendations of the Corporation’s Corporate Governance Committee and the benefits of a regular rotation in the membership of the Committee, including the Chairmanship, balancing in each case the need for fresh perspective with the need for experience and continuity. The Board may fill vacancies on the Committee and may remove a member from Committee membership at any time with or without cause.

**III. Committee Structure and Operations.**

**A. Meetings.**

The Committee shall meet in person or by telephone conference, videoconference or other means of communications permitted under applicable Delaware law as frequently as necessary to fulfill its duties and responsibilities, but no less frequently than quarterly. Additional meetings may be held, or actions may be taken by unanimous written consent, as deemed necessary or appropriate by the Committee Chairman or by any other member of the Committee. Minutes of each meeting shall be prepared by the Secretary or any Assistant Secretary of the Corporation or such other person designated by the Committee Chairman as Acting Secretary of the Committee, and shall be distributed to all Board members.

**B. Quorum; Manner of Acting.**

A majority of the Committee's members shall constitute a quorum, and the act of a majority of the members at which a quorum is present shall be the act of the Committee. In the event of a tie vote on any issue, the Committee Chairman's vote shall decide the issue. In the absence or disqualification of a member of the Committee, the members present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board who meets the Committee membership requirements set forth herein to act at the meeting in the place of any such absent or disqualified member.

**C. Resources.**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities. In particular, the Committee shall have: (i) direct and unrestricted access to the Corporation's management and non-management personnel and all corporate records; (ii) the authority to select, retain and terminate the engagement of any consultant in connection with the performance of its duties and to approve the terms of the engagement, including the fees to be paid to the consultant; and (iii) the authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

**D. Delegation of Authority.**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

**IV. Duties and Responsibilities.**

The Committee shall perform the following functions:

1. Oversee Northern Trust's capital adequacy assessments, forecasting, and stress testing processes and activities, including the annual Comprehensive Capital Analysis and Review process. In conjunction with such oversight, the Committee shall challenge management, as appropriate, on various elements of such processes and activities; consider the alignment of such processes and activities with the strategies, risk appetites, and risk levels of the Corporation and the Bank, including how risks at the Corporation and the Bank may emerge and evolve under stress; and review and approve the mid-cycle stress test results of the Corporation and the Bank.
2. Review and recommend to the Board for approval the Corporation's annual capital plan, including proposed capital actions. Review and challenge management, as appropriate, with respect to the assumptions, limitations and weaknesses related to the Corporation's annual capital plan, including regarding risk identification and estimation approaches.
3. Receive reports on the Corporation's material risks and exposures to inform decisions on capital adequacy and actions, including capital distributions, recognizing that the Business Risk Committee of the Board of Directors has

primary oversight responsibility for Northern Trust's Risk Management Framework, including the risk identification process used to support Northern Trust's business-as-usual risk management and stress testing processes.

4. Unless reviewed and approved by the Board, review and approve capital policies for the Corporation and the Bank, including the Corporation's and the Bank's capital management goals and targets.
5. Understand, and receive reports on, including from the Audit Services Department, the control environment related to Northern Trust's capital adequacy assessment process.
6. Review and discuss with management the Corporation's and the Bank's regulatory capital ratios and capital levels.
7. Review and recommend to the Board for approval: (i) dividend declarations with respect to the Corporation's common and preferred stock; and (ii) issuances or repurchases of debt or equity securities.
8. Oversee the Corporation's resolution planning processes.
9. Review and recommend to the Board for approval the Corporation's resolution plans.
10. Review and reassess the adequacy of this Committee Charter on an annual basis and submit any recommended changes to the Board for approval.
11. Conduct and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this Committee Charter.
12. Make regular reports to the Board summarizing the matters reviewed and actions taken at each Committee meeting.
13. Discharge any other duty or responsibility assigned to it by the Board.