

NORTHERN TRUST CORPORATION
COMPENSATION AND BENEFITS COMMITTEE CHARTER

Effective October 16, 2018

(Supersedes the Compensation and Benefits Committee Charter Adopted 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 at its organization meeting a Compensation and Benefits Committee (the “Committee”) and its Chairman (the “Committee Chairman”). The By-laws also provide that the Committee shall perform such functions for the Corporation as are set forth in a compensation and benefits committee charter, as adopted by the Board. This Committee Charter also governs the Committee as and when it acts as the compensation and benefits committee of the board of directors of The Northern Trust Company.

I. Purpose.

The purpose of the Committee is to discharge the Board’s duties and responsibilities relating to: (i) the compensation of the directors and executive officers of the Corporation and its subsidiaries; and (ii) the employee benefit and equity-based plans of the Corporation and its subsidiaries. The Committee also shall assist the Board with management development and succession planning, including with respect to the position of the Chief Executive Officer (the “CEO”).

For purposes of this Committee Charter, “executive officers” means all officers of the Corporation who have been designated as officers for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

II. Committee Membership.

The Committee shall consist of at least three directors, each of whom shall: (i) be an “independent director” under the Corporation’s Corporate Governance Guidelines; (ii) satisfy the independence requirements under the listing rules of The NASDAQ Stock Market LLC applicable to compensation committees, and other applicable law, regulation or rule; (iii) to the extent relevant under applicable law, be an “outside director” for purposes of Section 162(m) of the Internal Revenue Code, as amended; and (iv) be a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act.

In affirmatively determining the independence of any director who will serve on the Committee, the Corporation’s Corporate Governance Committee and the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Corporation which is material to that director’s ability to be independent from management in connection with the duties of a Committee member, including, but not limited to: (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Corporation to such director; and (ii) whether such director is affiliated with the Corporation, a subsidiary of the Corporation or an affiliate of a subsidiary of the Corporation.

Committee members and the Committee 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. At least one member of the Committee shall be a member of the Business Risk Committee and at least one member of the Committee shall be a member of the Audit Committee.

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 four times per year. 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, when approved, shall be distributed to all Committee 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 direct and unrestricted access to the Corporation's management and non-management personnel and all corporate records.

The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other advisor. The Corporation shall provide appropriate funding (as determined by the Committee) for payment of reasonable compensation to any such compensation consultant, legal counsel or other advisor retained by the Committee. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other advisor retained by the Committee. However, this paragraph shall not be construed: (i) to require the Committee to implement or act consistently with the advice or recommendations from any compensation consultant, legal

counsel or other advisor to the Committee; or (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

Prior to selecting or receiving advice from any compensation consultant, legal counsel (other than in-house legal counsel) or other advisor, the Committee shall review the following factors in order to assess the independence of the applicable consultant, legal counsel or advisors (it being understood that the Committee is not required to conclude that a compensation consultant, legal counsel or other advisor is independent before selecting or receiving advice from such compensation consultant, legal counsel or advisor):

- (i) the provision of other services to the Corporation by the person that employs the compensation consultant, legal counsel or other advisor;
- (ii) the amount of fees received from the Corporation by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
- (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- (iv) any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;
- (v) any stock of the Corporation owned by the compensation consultant, legal counsel or other advisor; and
- (vi) any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the compensation consultant, legal counsel or other advisor with any executive officer of the Corporation.

The foregoing factors also may be re-reviewed periodically at such times determined by the Committee in its discretion in connection with any ongoing relationship with any consultants, legal counsel or other advisors.

D. Delegation of Authority.

The Committee may, in its discretion and subject to the requirements of applicable law, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. In addition, the Committee may, in its discretion and subject to the requirements of applicable law, authorize one or more officers of the Corporation, including but not limited to the CEO, the President (if the President is not the CEO), and the Chief Human Resources Officer of the Corporation, to act on its behalf.

IV. Duties and Responsibilities.

The Committee shall perform the functions set forth below for the Corporation. The Committee shall have such other authority and responsibility as may be required under the rules of the U.S. Securities and Exchange Commission, The NASDAQ Stock Market LLC or applicable law or regulation. The Committee shall:

A. Executive Compensation and Benefits.

- Oversee the Corporation's general compensation philosophy, principles and practices.
- Review and approve corporate and individual goals and objectives relevant to the total compensation of the CEO (including the goals set forth in any then-current Management Performance Plan), evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board for approval the total compensation (including perquisites) paid or provided to the CEO based on this evaluation, taking into account: the Corporation's general compensation philosophy, principles and practices; the recommendations of any consultants to the Committee; current and historical compensation information; appropriate risk considerations; and such other criteria as the Committee deems relevant, in its discretion. The CEO shall not be present during voting or deliberations by the Committee on his or her compensation.
- Review and discuss with the CEO the performance of all executive officers (other than the CEO), and approve the total compensation (including perquisites) paid or provided to such persons, taking into account the Corporation's general compensation philosophy, principles and practices, the recommendations of any consultants to the Committee, the recommendations of the CEO, measures of corporate, business unit, and individual performance, current and historical compensation information, appropriate risk considerations and such other criteria as the Committee deems relevant, in its discretion.
- With the participation of the Audit Committee, or a representative thereof, review and discuss the performance of the Corporation's Chief Audit Executive, and approve the total compensation (including perquisites) paid or provided to the Chief Audit Executive, taking into account: the Corporation's general compensation philosophy, principles and practices; the recommendations of the CEO and Audit Committee; the recommendations of any consultants to the Committee; measures of corporate, business unit, and individual performance; current and historical compensation information; appropriate risk considerations; and such other criteria as the Committee and the Audit Committee deem relevant, in their discretion.

- Review and approve any employment, change in control, consulting, severance or termination agreement, or similar types of agreements with, or any arrangement to provide special or supplemental benefits to, the CEO or any other executive officer.

B. Director Compensation and Benefits.

- Review and recommend to the Board compensation and benefits policies, plans and programs for non-employee directors and any advisory directors.
- Review and recommend to the Board grants of awards to non-employee directors and any advisory directors under the Corporation's equity-based plans.

C. Governance and Oversight of Compensation Programs

- Oversee the development and operation of the Corporation's incentive compensation policies, systems and related control processes in furtherance of the Corporation's overall compensation philosophy; review and approve the overall goals and purposes of incentive programs so that they achieve an appropriate balance and are consistent with the Corporation's overall compensation philosophy, as well as safety and soundness principles (including appropriate risk considerations); and provide direction and guidance to management so that the operation of the incentive compensation programs are consistent with such philosophy, goals and policies.
- Approve or recommend to the Board, as appropriate, the adoption of any cash or equity-based incentive program, or any changes in the design or operation of any such program, consistent with the Corporation's overall compensation philosophy, principles and practices.
- Review and determine appropriate overall annual cash incentive funding levels and overall annual equity award levels for the Corporation, including a review of relevant risk factors considered in the determination of incentive pool amounts and business unit allocations.
- Receive data and analysis from management and other sources that are sufficient for the Committee to assess whether the overall design and performance of incentive compensation arrangements are consistent with the Corporation's safety and soundness. Review data and analysis from management and other sources to be informed of emerging trends and developments regarding incentive compensation practices.
- Consider, approve or require, as the case may be, deferrals of incentive compensation as a means of balancing risk-taking incentives created by incentive programs.

- Review and discuss with management the administration of all equity-based plans and significant incentive compensation plans, and, in connection therewith, discharge, or delegate under Section III.D above, any responsibilities imposed upon the Committee under these plans, including, but not limited to, approving or delegating (subject to compliance with applicable law and regulations) the approval of:
 - (a) any plan amendment that is not subject to stockholder approval;
 - (b) the grant of equity or other awards under any plan;
 - (c) the terms and conditions of equity or other awards granted under any plan, including deferrals and any potential forfeiture of awards; and
 - (d) the level of payments or awards under any plan.

- At least annually, conduct a review, with appropriate input from risk management personnel, of management’s assessment of the effectiveness of the Corporation’s incentive compensation arrangements and practices for all employees to assess the extent to which such arrangements and practices discourage inappropriate risk-taking behavior by participants and are consistent with the Corporation’s safety and soundness. Such assessment will include a review of: (i) the methodology for identification of employees whose compensation is subject to various regulatory requirements and/or restrictions, or such other categories of employees as the Committee may identify; and (ii) the compensation of individuals who fall into such categories.

- Periodically review and revise, in the manner the Corporation deems appropriate and in accordance with applicable law and regulation, any policy of the Corporation with respect to the recovery of executive compensation under certain circumstances and, to the extent that compensation is subject to any such policy, regulatory requirement or other provision relating to the cancellation or forfeiture thereof, review relevant information to determine whether the applicable conditions for cancellation or forfeiture have been triggered and what action should be taken.

- Review and approve the following U.S. retirement plan matters: (i) the adoption, material amendment or termination of the supplemental pension plan, supplemental thrift-incentive plan or supplemental employee stock ownership plan (“ESOP”); and (ii) any extraordinary actions under the supplemental pension plan, supplemental thrift-incentive plan or supplemental ESOP in connection with acquisitions or divestitures.

- Review and approve the adoption, material amendment or termination of any U.S. severance plan or the employees’ deferred compensation plans.

- In the discretion of the Committee or at the request of the Corporation's management, review, and approve the adoption, material amendment or termination of any other employee compensation, retirement or welfare benefit policy, plan or program of the Corporation.
- Review, discuss, and approve the executive and director compensation disclosures in the Corporation's proxy statement relating to its annual meeting of stockholders (the "annual proxy statement") and Annual Report on Form 10-K, including the "Compensation Discussion and Analysis," and prepare an annual report on executive compensation required to be included in the Corporation's annual proxy statement or Annual Report on Form 10-K.
- Determine whether to recommend to the Board that the "Compensation Discussion and Analysis" be included in the Corporation's annual proxy statement and its Annual Report on Form 10-K for the last fiscal year.
- Oversee the Corporation's submissions to stockholders on executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and review and consider the results of such votes.
- Establish and maintain stock ownership target guidelines for directors and executive officers and monitor compliance with such guidelines.

D. Management Development and Succession Planning.

- Review and make recommendations to the Board concerning management development and succession planning activities, which recommendations shall reflect Committee discussions, with and without the CEO, and the Board's annual management development and succession planning review.

E. Election and Appointment of Officers.

- Review and recommend to the Board the election or appointment of all officers of the Corporation with the title Executive Vice President or above in the manner prescribed by the Corporation's By-laws, with the exception that the Audit Committee shall approve the appointment of the Corporation's Chief Audit Executive.

F. Other Responsibilities.

- Make regular reports to the Board summarizing the matters reviewed and actions taken at each Committee meeting.
- 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.

- Review and reassess the adequacy of this Committee Charter on an annual basis and submit any recommended changes to the Board for approval.
- Discharge any other duty assigned to the Committee by the Board.