

**NORTHERN TRUST CORPORATION**  
**BUSINESS RISK COMMITTEE CHARTER**

**Effective November 16, 2021**  
**(Supersedes the Business Risk Committee Charter Effective November 17, 2020)**

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 Business Risk 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 business risk committee charter, as adopted by the Board. This Committee Charter also governs the Committee as and when it acts as the Business Risk Committee of the Board of Directors of The Northern Trust Company.

**I. Purpose.**

The Committee’s sole and exclusive function is responsibility for the risk-management policies of the Corporation’s global operations and oversight of the operation of the Corporation’s global risk-management framework. In furtherance of this function, the Committee shall assist the Board in discharging its oversight duties with respect to: (a) the risks inherent in the businesses of the Corporation and its subsidiaries (collectively, “Northern Trust”) in the following categories (collectively, the “Charter Mandate Risks”), as well as related risk themes: credit risk, market and liquidity risk, fiduciary risk, operational risk, compliance risk, and strategic risk; and (b) the process by which risk-based capital requirements are determined.

**II. Committee Membership.**

The Committee shall consist of three or more directors. The Committee’s membership shall be such that, in the judgment of the Board, it shall have the experience, expertise and judgment necessary to evaluate the reports and other information presented to the Committee by Business Unit management, Audit Services, Risk Management, and others with respect to the Charter Mandate Risks and related risk themes and to discharge its other responsibilities under this Charter. Each Committee member shall: (a) be an “independent director” under the Corporation’s Corporate Governance Guidelines; and (b) have a general understanding of risk management principles and practices relevant to the Corporation. At least one member of the Committee shall be a member of the Compensation and Benefits Committee and at least one member shall have experience in identifying, assessing, and managing risk exposures of large, complex financial firms. The Committee Chairman shall be qualified to serve as Committee Chairman under 12 CFR 252.33(a)(4)(ii).

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.

### **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, when approved, shall be distributed to all Board members. The minutes shall document the decisions of the Committee regarding risk management policies.

The Committee may meet with the Corporation's Chief Executive Officer, Chief Risk Officer, Chief Compliance and Ethics Officer, Chief Audit Executive, members of Business Unit management, consultants or advisors as it may deem necessary or appropriate. The Chief Risk Officer shall report directly to both the Committee and the Corporation's Chief Executive Officer. The Committee may meet in joint sessions with other committees of the Board from time to time to discuss areas of common interest and significant matters.

#### **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: (a) direct and unrestricted access to the Corporation's management and non-management personnel and all corporate records; (b) 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 (c) 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. 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 Chief Executive Officer and the Chief Risk Officer of the Corporation, to take certain actions on its behalf.

#### **IV. Duties and Responsibilities.**

The Committee's responsibility is one of oversight. The responsibility for regulatory compliance and for the management of other risks in Northern Trust's businesses rests with management of the Corporation. Each member of the Committee shall be entitled to rely in good faith on: (a) the integrity of those persons and organizations within and outside Northern Trust from which he or she receives information; and (b) the accuracy of the information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

The Committee shall report to the Board and shall perform the following oversight and other functions for the Corporation:

##### **A. Review Responsibilities.**

Review, discuss and approve the following, as appropriate:

1. (a) Northern Trust's Risk Management Framework, including the risk identification processes used to support Northern Trust's business as usual risk management activities and stress testing processes, which Risk Management Framework shall be commensurate with the structure, risk profile, complexity, activities and size of Northern Trust; (b) Northern Trust's Risk Appetite Statement and related guidelines; (c) management's procedures for identifying, measuring, aggregating, and reporting on the Charter Mandate Risks and related risk themes in a comprehensive manner; and (d) reports from management with respect to risk exposures in connection with the Charter Mandate Risks and related risk themes.
2. Significant policies, programs, and plan documents, and proposed changes to any of the foregoing, with respect to: (a) management of the Charter Mandate Risks and related risk themes including, where appropriate, limits or guidelines reflecting the Corporation's risk tolerance in particular areas; and (b) the risk-based capital requirements for Northern Trust and related risk oversight processes that evaluate Northern Trust's risk profile, in each case for recommendation to the Board or action by the Committee as appropriate.
3. The appointment, and scope and effectiveness of the work, of the Chief Risk Officer, who shall review and discuss, or cause his or her designee to review and discuss, the following with the Committee as appropriate: (a) the key elements of Northern Trust's risk management program and oversight framework for the Charter

Mandate Risks and related risk themes including (i) enterprise-wide risk policies and the means for implementing and monitoring compliance with such policies, (ii) risk management standards, (iii) roles and responsibilities of committees and functions with risk management oversight responsibilities, and (iv) effectiveness of the Risk Management function's system of internal controls; (b) the status and independence of the Risk Management function within Northern Trust and the appropriateness of the resources allocated thereto; and (c) the capabilities and qualifications of Northern Trust's senior risk professionals to manage the Charter Mandate Risks and related risk themes arising from Northern Trust's business activities.

4. Significant findings identified by senior management, including the Chief Risk Officer, the Chief Compliance and Ethics Officer, the Chief Information Risk Officer and the Chief Audit Executive, concerning risk management activities of Northern Trust for the Charter Mandate Risks and related risk themes, together with any management responses or follow-up.
5. Reports from the Chief Risk Officer, to be furnished to the Committee on at least a quarterly basis, regarding risk management deficiencies and emerging risks.
6. Reports from senior management, to be furnished to the Committee on at least a quarterly basis, regarding the Corporation's liquidity risk profile and liquidity risk tolerance.
7. Significant issues raised by regulatory agencies relating to risk management activities for the Charter Mandate Risks and related risk themes, and management's response to issues identified in regulatory examination reports.

**B. Contingency Funding Plan Approval**

Approve, at least annually, a contingency funding plan for Northern Trust that sets out Northern Trust's strategies for addressing liquidity needs during liquidity stress events and approve any material revisions to such plan prior to their implementation.

**C. Swap-Dealer Governance and Oversight**

Fulfill the responsibilities of the "governing body" contemplated by the regulations of the U.S. Commodities Futures Trading Commission ("CFTC") applicable to Northern Trust's activities as a swap dealer provisionally registered with the CFTC, including approving Northern Trust's swap-dealer risk management program, policies and procedures; reviewing and approving applicable risk tolerance limits on an annual basis; receiving quarterly "risk exposure reports," as contemplated by applicable CFTC regulations; approving any new product which would materially alter Northern Trust's overall swap-dealer risk profile; and receiving reports

on, and reviewing the results of, annual testing of Northern Trust's swap-dealer risk management program and compliance program.

**D. Volcker Rule Compliance Program**

Oversee the Corporation's compliance program required under Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and its implementing regulations (commonly known as the "Volcker Rule"), including receiving reports on management's administration and the effectiveness of the program; ensuring that senior management is capable, qualified, and properly motivated to manage the program; ensuring that senior management has established appropriate incentives and adequate resources to support program compliance; and approving any material amendment to the program.

**E. Other Responsibilities.**

1. Make regular reports to the Board summarizing the matters reviewed and actions taken at each Committee meeting.
2. 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.
3. Review and reassess the adequacy of this Committee Charter on an annual basis and submit any recommended changes to the Board for approval.
4. Discharge any other duty or responsibility assigned to it by the Board.