Northern Trust

YOUR SOURCEBOOK

A Guide to The Thrift-Incentive Plan

March 2014

Human Resources

Benefits

From:	BManager on behalf of My_Place@ntrs.com
Subject:	Investment Fund Changes in Your 401(k), the Thrift-Incentive Plan (TIP)
Date:	Thursday, January 28, 2016 9:06:44 PM

This message is being sent to all U.S. partners who participate in The Northern Trust Company Thrift-Incentive Plan.

The following investment fund changes in the Thrift-Incentive Plan (TIP) are scheduled as follows:

Expense Ratio Changes - Northern Trust Focus Funds
Effective Friday, January 29, 2016, the annual expense ratio for the Northern Trust Focus Funds will be reduced to 0.09% from 0.12%.

Investment Fund Change
Effective Tuesday, March 1, 2016, an existing investment option, the Wells Fargo Advantage Core Bond Fund, will be replaced with a fund that has a similar investment objective but a lower expense ratio. Detailed information is provided in the table below.

What's the same	What's different	Impact on investment expense
A bond fund will still be available and managed by Wells Fargo.	The Wells Fargo Advantage Core Bond Fund (WTRIX), which is a mutual fund, will be replaced by the Wells Fargo Core Bond II CIT E Fund, which has a similar investment strategy, but is a collective investment trust. For more information about this replacement investment option, read the collective fund disclosure.	The replacement fund has a lower annual expense ratio (0.29%) than the existing mutual fund (0.37%).

Any balance and/or investment election you have in the Wells Fargo Advantage Core Bond Fund will transfer to the Wells Fargo Core Bond II CIT E Fund effective March 1, 2016.

Action Required
If you are not currently invested in the Wells Fargo Advantage Core Bond Fund, but want to invest in the Wells Fargo Core Bond II CIT E Fund:

- Beginning Tuesday, March 1, 2016, you can transfer into the Wells Fargo Core Bond II CIT E Fund and/or elect to have your future contributions invested in the Wells Fargo Core Bond II CIT E Fund.

If you are invested in the Wells Fargo Advantage Core Bond Fund that is being replaced and you want to invest in the Wells Fargo Core Bond II CIT E Fund:

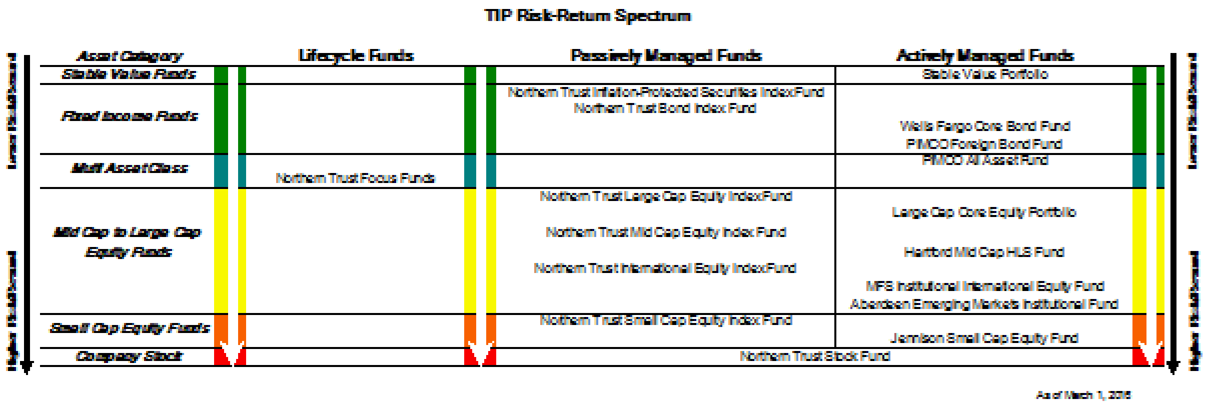
- You don't need to do anything. Your balance in the Wells Fargo Advantage Core Bond Fund will be transferred into the Wells Fargo Core Bond II CIT E Fund. Similarly, any existing elections to invest future contributions in the Wells Fargo Advantage Core Bond Fund, including any automatic rebalance elections, will be transferred to the Wells Fargo Core Bond II CIT E Fund, effective March 1, 2016.

If you are invested in the Wells Fargo Advantage Core Bond Fund that is being replaced and you don't want to go into the Wells Fargo Core Bond II CIT E Fund:

· You must transfer your balance in the Wells Fargo Advantage Core Bond Fund into any other investment fund before 3:00 p.m. Central time on Monday, February 29, 2016.

To transfer existing balances and/or change your investment election(s) for future contributions, access *Your Benefits Resources™* at My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace).

TIP Risk-Return Spectrum
For your reference, all investment options in TIP as of March 1, 2016 are shown below in order of their generally-expected levels of risk and return. Access a larger version here.



Fee Disclosure Notice
As a reminder, you may view a copy of the current fee disclosure notice by accessing My Place > My Retirement > TIP Overview > Reference Materials > Disclosures > TIP Annual Fee Disclosure Notice.

Default Investment Option for Automatic Enrollment - Increase in Assumed Retirement Age:
Effective March 1, 2016, the assumed retirement age used to determine the applicable default investment option for new hires automatically enrolled in TIP will increase from age 62 to age 65. Also, effective March 1, 2016, any TIP participant who was previously automatically enrolled in TIP but has not made any contribution rate and/or investment election changes will have his/her future contributions and existing balance transferred to the applicable Northern Trust Focus Fund closest to an assumed retirement age of 65 based on his/her year of birth, as described in the following chart:

Year of Birth	Northern Trust Focus Fund	Assumed Retirement Date[1]	Annual Expense Ratio[2]
Before 1943	Income Fund	Before 2008	.09%
1943 - 1947	2010 Fund	2008 - 2012	.09%
1948 - 1952	2015 Fund	2013 - 2017	.09%
1953 - 1957	2020 Fund	2018 - 2022	.09%
1958 - 1962	2025 Fund	2023 - 2027	.09%
1963 - 1967	2030 Fund	2028 - 2032	.09%
1968 - 1972	2035 Fund	2033 - 2037	.09%
1973 - 1977	2040 Fund	2038 - 2042	.09%
1978 - 1982	2045 Fund	2043 - 2047	.09%
1983 - 1987	2050 Fund	2048 - 2052	.09%

1988 - 1992	2055 Fund	2053 - 2057	.09%
After 1992	2060 Fund	After 2057	.09%

[1] Assuming retirement occurs at age 65.

[2] A Fund's expense ratio is the approximate percentage taken out of the Fund annually in order to pay the costs of operating the Fund. These costs lower the net income earned by investors. The annual expense ratios shown above are effective as of January 29, 2016 and are subject to change.

As a reminder, new hires who do not join TIP as soon as they become eligible to contribute are automatically enrolled in TIP by the time they receive their fourth paycheck. When automatically enrolled, a new hire's contribution rate is set at 6% of eligible pay on a before-tax basis and increases by 1% annually in April until they are contributing 10%. These contributions (and any resulting Company matching contributions) are invested in the Northern Trust Focus Fund nearest to the participant's assumed retirement age, which is now 65.

If you have been automatically enrolled or have a pending enrollment and want to make a change to your contribution rate and/or how your contributions will be invested, you can do so at any time on-line or by speaking with a Representative as outlined in the *For More Information* section.

For More Information

If you need additional information, dial +1 312-557-7593; or call toll free from within the U.S. or Canada: +1 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources™* and to speak with a Representative. Representatives are available between 8 a.m. and 5 p.m. Central time, Monday through Friday. You can also access your TIP account on-line through *Your Benefits Resources™* at My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace).

Note: The information above is a Summary of Material Modifications and updates the current Sourcebook and any prior Summaries of Material Modifications, which are available on *Your Benefits Resources™* or on My Place > My Retirement > Overview > Sourcebooks. Refer to this document when reading the Sourcebook and any prior Summaries of Material Modifications. In the event there is ever any conflict between this summary and the terms of the Plan, the Plan will always govern. Northern Trust reserves the right to amend, modify, suspend or terminate any or all of its benefit plans, including the Thrift-Incentive Plan, at any time.

From:	BManager on behalf of My_Place@ntrs.com
Subject:	New Investment Option in Your 401(k): the Thrift-Incentive Plan (TIP)
Date:	Thursday, October 29, 2015 9:05:24 PM

This message is being sent to all U.S. partners.

New Investment Option in Your 401(k): the Thrift-Incentive Plan
Effective on Tuesday, December 1, 2015, the investment options in the Thrift-Incentive Plan (TIP or the Plan) will be modified as follows:

- A new large cap equity investment option, the Large Cap Core Equity Portfolio, will replace the current Victory EB Diversified Stock Fund in TIP.

Any balance and/or investment election you have in the Victory EB Diversified Stock Fund will transfer to the Large Cap Core Equity Portfolio.

New Investment Option: Large Cap Core Equity Portfolio
Summary
The new Large Cap Core Equity Portfolio is a separately managed account specifically designed for TIP and managed by Waddell & Reed. Its investment process is based on the core belief that changes in long-term earnings expectations will impact stock prices. Therefore, stocks in this portfolio focus on companies that are expected to produce long-term earnings above current market expectations. Stocks in this portfolio also must possess stable to improving competitive advantages in areas that include technology, brand, products, scale and cost management.

Additional Investment Information
The new Large Cap Core Equity Portfolio is being established specifically for TIP. As a result, historical information and other details are not available for the Portfolio. Certain additional information will be available on Your Benefits Resources™ beginning December 1, 2015, after the Large Cap Core Equity Portfolio has been established.

Estimated Annual Expense Ratio (as of October 30, 2015)

0.41%

Action Required
If you are not currently invested in the Victory EB Diversified Stock Fund, but want to invest in the Large Cap Core Equity Portfolio:
- Beginning Tuesday, December 1, 2015, you can transfer into the new Large Cap Core Equity Portfolio and/or elect to have your future contributions invested in this new investment option.

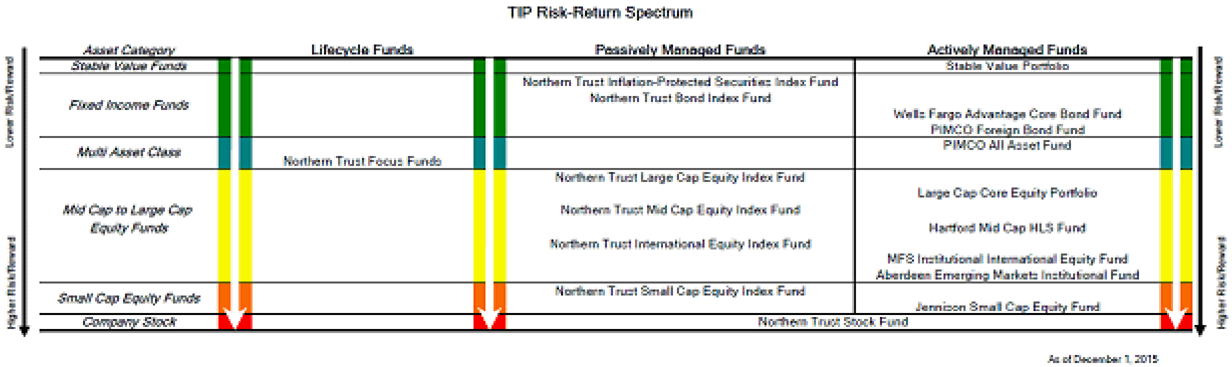
If you are invested in the Victory EB Diversified Stock Fund that is being replaced and you want to invest in the Large Cap Core Equity Portfolio:
- You don’t need to do anything. Your balance in the Victory EB Diversified Stock Fund will be automatically transferred into the Large Cap Core Equity Portfolio. Similarly, any existing elections to invest future contributions in the Victory EB Diversified Stock Fund, including any automatic rebalance elections, will be transferred to the new Large Cap Core Equity Portfolio, effective December 1, 2015.

If you are invested in the Victory EB Diversified Stock Fund that is being replaced and you don’t want to invest in the Large Cap Core Equity Portfolio:
- You must transfer your balance in the Victory EB Diversified Stock Fund into any other investment fund before 3:00 p.m. Central time on Monday, November 30, 2015.

To transfer existing balances and/or change your investment election(s) for future contributions, access *Your Benefits Resources™* at My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace).

TIP Risk-Return Spectrum

For your reference, all investment options in TIP as of December 1, 2015 are shown below in order of their generally-expected levels of risk and return. Access a larger version here.



Fee Disclosure Notice

As a reminder, you may view a copy of the current fee disclosure notice by accessing My Place > My Retirement > TIP Overview > Reference Materials > Disclosures > TIP Annual Fee Disclosure Notice.

For More Information

To learn more about TIP, your investment options within the Plan , and how TIP can help you save for retirement, go to *Your Benefits Resources™* at My Place > My Retirement. My Place is also available from home at www.ntrs.com/myplace.

If you need additional information,

- dial +1 312-557-7593; or call toll free from within the U.S.: 1 800-807-0302. Press 2 if you are a current or former Northern Trust partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources™* and to speak with a Representative. Representatives are available between 8 a.m. and 5 p.m. Central time, Monday through Friday.

- access your TIP account on-line through *Your Benefits Resources™* at My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace).

Note: The information above is a Summary of Material Modifications and updates the current Sourcebook and any prior Summaries of Material Modifications, which are available on *Your Benefits Resources™ or on* My Place > My Retirement > Overview > Sourcebooks. Refer to this document when reading the Sourcebook and any prior Summaries of Material Modifications. In the event there is ever any conflict between this summary and the terms of the Plan, the Plan will always govern.

From:	BManager@ntrs.com on behalf of My_Place@ntrs.com
Subject:	Your 401(k), TIP: Changes to the Special Deadlines at Quarter End Restrictions
Date:	Thursday, February 12, 2015 9:03:51 PM

This message is being sent to all partners eligible to participate in the Northern Trust Thrift-Incentive Plan (TIP).

The *"Special Deadlines at Quarter End"* restrictions, also known as the "quarterly earnings blackout periods" that limit certain TIP transactions affecting the Northern Trust Stock Fund and Former ESOP Fund, have been modified. As a result, participants should be aware of the following changes.

CHANGE #1: The group of participants subject to the quarterly earnings blackout period has changed.
The group of participants subject to the quarterly earnings blackout period has changed, and the blackout no longer applies to all TIP participants. Instead, the quarterly earnings blackout period applies only to directors and executive officers of Northern Trust Corporation, Business Unit chief financial officers, certain members of the Controller's Department, Investor Relations, the Treasury Department and Audit Services, and such other persons designated by the Corporate Secretary. Those subject to the quarterly earnings blackout period will be notified separately by email on a quarterly basis before the commencement of each quarterly earnings blackout by the Corporate Secretary. Please refer to the Northern Trust Corporation Securities Transactions Policy and Procedures, as revised effective January 20, 2015 for more detailed information.

CHANGE #2: The duration of the quarterly earnings blackout period has changed.
Starting in 2015, the quarterly earnings blackout period, begins at market open on the fifteenth* calendar day of the last month of each quarter (March, June, September, and December) and ends at market close on the first business day following the release of the earnings announcement for the most recently completed quarter.

*If the fifteenth calendar day of the last month of any such quarter falls on a day during which the NASDAQ Stock Market is closed, the quarterly blackout period begins at market open on the next calendar day during which the NASDAQ Stock Market is open. For example, the quarterly blackout period for the first quarter of 2015 will begin on Monday, March 16, 2015.

How will I be impacted by the quarterly earnings blackout period commencing on Monday, March 16, 2015?

If you are no longer subject to the quarterly earnings blackout period, you can request transactions within TIP at your discretion, even if you have investments in the Northern Trust Stock Fund and/or Former ESOP Fund. The restrictions that previously were in effect during the quarterly earnings blackout period are no longer applicable to you.

If you are subject to the quarterly earnings blackout period, the following transactions cannot be processed until the blackout ends if the transactions would affect or involve the Northern Trust Stock Fund and/or Former ESOP Fund:

- enrollment, contribution rate changes or investment changes for future contributions,
- fund transfers,
- reallocations,
- making or changing dividend elections, and
- distributions.

Transactions permitted during the quarterly blackout period include:

- enrollment, contribution rate changes or investment changes for future contributions if they do not affect or involve the Northern Trust Stock Fund,

- fund transfers or reallocations that do not affect or involve the Northern Trust Stock Fund and/or the Former ESOP Fund, and
- loan disbursements and in-service withdrawals - can be processed, but will exclude any account balances that you might have in either the Northern Trust Stock Fund and/or Former ESOP Fund.

For More Information

If you need additional information, dial +1 312-557-7593; or call toll free from within the U.S.: 1 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources™* and to speak with a Representative. Representatives are available between 8 a.m. and 5 p.m. Central time, Monday through Friday. You can also access your Pension and TIP on-line through *Your Benefits Resources™* at My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace).

This message constitutes a Summary of Material Modifications to the Northern Trust Thrift-Incentive Plan. A current version of the Sourcebook describing the key features of TIP can be found at My Place > My Retirement > TIP Overview > Sourcebooks > Thrift-Incentive Plan Guide[1].

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[1] *Northern Trust reserves the right to amend, modify, suspend or terminate TIP at any time.*

From:	BManager@ntrs.com on behalf of My_Place@ntrs.com
Subject:	Updates to your 401(k): the Thrift-Incentive Plan (TIP)
Date:	Thursday, October 30, 2014 9:06:47 PM
Attachments:	TIP Fee Disclosure Notice - 2014 10-31.pdf

This message is being sent to all U.S. partners.

Updates to Your 401(k): the Thrift-Incentive Plan
Beginning on Monday, December 1, 2014, the Thrift-Incentive Plan (TIP or the Plan) will be enhanced as follows:

1. The TIP participant loan interest rate will be revised for loans processed beginning Monday, December 1, 2014.
2. A new target date investment option, the Northern Trust Focus 2060 Fund, will be added to the existing Northern Trust Focus Fund line-up in TIP.

Update #1 - TIP Loan Interest Rate Revised
The interest rate used for a participant loan from TIP will be revised for new loans processed beginning Monday, December 1, 2014. Currently, the interest rate on a TIP participant loan is based on the rate for a commercial loan secured by a Northern Trust savings account in Illinois. The new rate will be the prime interest rate (as published in the Wall Street Journal (WSJ) on the 15^{th} day of the calendar month prior to the calendar month in which the loan is granted. If the WSJ is not published on that date, the prime rate published in the WSJ edition immediately preceding that date will be used.) plus one percent. The interest rate in effect when your loan is processed stays the same throughout your loan. As a result, this change will not affect the interest rates on any current loans, including those processed between now and December 1.

Update #2 - New Target Date Fund Investment Option
A new Northern Trust Focus Fund for target retirement year 2060 will be available for investment in TIP beginning Monday, December 1, 2014. Information for the new fund will be available on-line beginning on this day as well.

What action must I take? You are not required to take any action. Beginning Monday, December 1, 2014, you can invest in the new Northern Trust Focus Fund by transferring your existing balances or initiating a change to your investment election for future contributions. To obtain more information about the Northern Trust Focus Funds, access *Your Benefits Resources™* at My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace).

Fee Disclosure Notice: Northern Trust is required to send the attached Fee Disclosure Notice to all participants in TIP at least annually to comply with U.S. Department of Labor rules. This notice reflects the investment fund change and administrative fees in the Plan as of December 1, 2014.

(See attached file: TIP Fee Disclosure Notice - 2014 10-31.pdf)

You may also view a copy of the updated Notice by accessing My Place > My Retirement > TIP Overview > Reference Materials > Disclosures > TIP Annual Fee Disclosure Notice.

For More Information
To learn more about TIP, your investment options within the Plan , and how TIP can help you save for retirement, go to *Your Benefits Resources™* at My Place > My Retirement. My Place is also available from home at www.ntrs.com/myplace.

If you need additional information, dial +1 312-557-7593; or call toll free from within the U.S.: 800-807-

0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources™* and to speak with a Representative. Representatives are available between 8 a.m. and 5 p.m. Central time, Monday through Friday. You can also access your TIP account on-line through *Your Benefits Resources™* at My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace).

From:	Broadcast Manager on behalf of MyPlace
Subject:	Updates to your 401(k): the Thrift-Incentive Plan (TIP)
Date:	Friday, May 02, 2014 12:48:37 PM
Attachments:	TIP Fee Disclosure Notice - 2014 04.pdf TIP Risk-Return Spectrum.pdf

This message is being sent to all U.S. partners.

Updates to Your 401(k): the Thrift-Incentive Plan

Beginning on Friday, May 30, 2014, the Thrift-Incentive Plan (TIP or the Plan) will be enhanced as follows:

1. A new stable asset investment option will replace the current Northern Trust Stable Asset Fund in TIP.

2. All new loans, most withdrawals (including Regular, Hardship and Age 59-1/2 Withdrawals) and partial distributions after retirement that are requested from TIP will continue to be depleted from your eligible TIP account contributions, but will be disbursed proportionately from all of your current investment fund balances (investment balances in and previously transferred from the Former ESOP Fund will continue to be excluded from loans as well as regular and hardship withdrawals).

Update #1 - New Stable Asset Investment Option

As previously communicated to you in December 2013, the Northern Trust Stable Asset Fund is being terminated on June 30, 2014 (or earlier if all remaining assets have been distributed). As a result, a new stable asset investment option will replace the existing Northern Trust Stable Asset Fund effective May 30, 2014 as described in more detail below.

What investment funds are changing?	What it means for you
A stable asset investment will still be available in TIP, but the Northern Trust Stable Asset Fund will be replaced by the new Stable Value Portfolio, a separately managed account* customized just for TIP. A separately managed account is an individual portfolio of investments that is customized for TIP, and considers the Plan's risks and objectives in determining the portfolio's investments*. Only TIP participants may invest in this investment option. A separately managed account is managed by an investment manager, in this case, Invesco Advisers, Inc. TIP participants who invest in the Stable Value Portfolio will own units that will reflect their proportionate interest in the underlying assets of the Portfolio.	The new Stable Value Portfolio seeks to provide principal preservation and liquidity for investors. The Portfolio also seeks to provide a competitive, short-term, total rate of return while preserving the safety of capital and limiting market risk. Returns of the Stable Value Portfolio are generated by an actively managed diversified portfolio of fixed and floating rate securities. Investments may include U.S. Government securities, corporate bonds, mortgage-backed and asset-backed securities and cash equivalents. Please note that investments in the Portfolio are not deposits or obligations of, or guaranteed by, Northern Trust or any of its affiliates, and are not insured by the Federal Deposit Insurance Corporation or any other agency of the U.S. Government. Investment in the Portfolio involves the possible loss of principal.

*As a separately managed account, this Portfolio is a new, custom arrangement developed just for TIP and, therefore, there is no historical performance information for the Portfolio.

What will happen on Friday, May 30, 2014?

What happens to your account depends on where your TIP balance is invested on Friday, May 30 and where you want it to be invested once the new Stable Value Portfolio is in place.

If you are not currently invested in the Northern Trust Stable Asset Fund, but want to invest in the new Stable Value Portfolio:

- You can transfer into the new Stable Value Portfolio beginning Friday, May 30, 2014, and/or elect to have your future contributions invested in this new investment option.

If you are invested in the Northern Trust Stable Asset Fund that is being replaced and you want to invest in the replacement Stable Value Portfolio:

- You don't need to do anything. Your balance will be automatically transferred into the replacement Stable Value Portfolio.

If you are invested in the Northern Trust Stable Asset Fund that is being replaced and you don't want to invest in the replacement Stable Value Portfolio:

- You can transfer your balance into any other investment fund before 3:00 p.m. Central time on Friday, May 30, 2014.

To transfer existing balances and/or change your investment election(s) for future contributions, access *Your Benefits Resources™* at My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace).

All investment options in TIP as of Friday, May 30, 2014 are listed in order of their generally expected levels of risk and return in the attachment below titled "TIP Risk-Return Spectrum".

(See attached file: TIP Risk-Return Spectrum.pdf)

Fee Disclosure Notice

Northern Trust is required to send the attached Fee Disclosure Notice to all participants in TIP at least annually to comply with U.S. Department of Labor rules. This notice reflects the investment fund changes and administrative fees in the plan as of March 31, 2014.

(See attached file: TIP Fee Disclosure Notice - 2014 04.pdf)

You may also view a copy of the updated Notice by accessing My Place > My Retirement > TIP Overview > Reference Materials > Disclosures > TIP Annual Fee Disclosure Notice.

Update #2 - Investment Fund Depletion for Loans, Withdrawals, and Partial Retirement Distributions

Currently, when you request a loan or most withdrawals as an active employee or a partial distribution after retirement, amounts are depleted from your TIP account in order of your most conservative investment fund (i.e., the Northern Trust Stable Asset Fund) to the least conservative investment fund (i.e., the Northern Trust Stock Fund). Beginning May 30, 2014, loans, most withdrawals, and partial retirement distributions will instead be depleted from your eligible TIP account contributions, but will be disbursed proportionately from all your TIP investment fund balances (current investment balances in and previously transferred from the Former ESOP Fund* will continue to be excluded from loans as well as regular and hardship withdrawals).

Refer to the attached chart for a detailed description of TIP account contributions that are eligible for these transactions. For future reference, this information can also be found in Your Sourcebook: A Guide to the Thrift-Incentive Plan available on My Place.

Loan, Withdrawal, & Partial Distribution Account Order

*Participants who are at least age 55 with 10 years of Plan participation are eligible to withdraw in cash any or all of their Former ESOP Fund balance at any time (subject to Special Deadlines at Quarter End).

This withdrawal process is not changing, and these withdrawals will continue to be made in reverse order from your TIP account in order of your least conservative investment (i.e., the Former ESOP Fund) to the most conservative investment (i.e., the Northern Trust Stable Asset Fund, which will change to the Stable Value Portfolio effective May 30).

For More Information

To learn more about TIP, your investment options within the Plan , and how TIP can help you save for retirement, go to *Your Benefits Resources™* at My Place > My Retirement. My Place is also available from home at www.ntrs.com/myplace.

If you need additional information, dial +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources™* and to speak with a Representative. Representatives are available between 8 a.m. and 5 p.m. Central time, Monday through Friday. You can also access your TIP account on-line through *Your Benefits Resources™* at My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace).

TIP Risk-Return Spectrum

Lower Risk/Reward

Asset Category	Lifecycle Funds	Passively Managed Funds	Actively Managed Funds
Stable Value Funds			Northern Trust Stable Value Fund
Fixed Income Funds		Northern Trust Inflation-Protected Securities Index Fund Northern Trust Bond Index Fund	Wells Fargo Advantage Core Bond Fund PIMCO Foreign Bond Fund
Multi Asset Class	Northern Trust Focus Funds		PIMCO All Asset Fund
Mid Cap to Large Cap Equity Funds		Northern Trust Large Cap Equity Index Fund Northern Trust Mid Cap Equity Index Fund Northern Trust International Equity Index Fund	Victory EB Diversified Stock Fund Hartford Mid Cap HLS Fund MFS Institutional International Equity Fund Aberdeen Emerging Markets Institutional Fund
Small Cap Equity Funds		Northern Trust Small Cap Equity Index Fund	Jennison Small Cap Equity Fund
Company Stock			Northern Trust Stock Fund

Higher Risk/Reward

As of May 30, 2014

The Northern Trust Company Thrift-Incentive Plan (TIP)

Eligible Contribution Accounts for Loans, Withdrawals (Regular, Age 59-1/2 and Hardship), and Retiree Partial Distributions

The following table represents the order in which contribution accounts in TIP are depleted as listed under each of the transactions noted below. Investment funds will be depleted from all investments proportionately from a participant's TIP account (investment balances in and previously transferred from the Former ESOP Fund will continue to be excluded from loans as well as regular and hardship withdrawals).

Loans	Regular Withdrawal	Age 59½ Withdrawal	Hardship Withdrawal	Retiree Partial Distribution
Rollover Contributions from Prior Employer Plan(s) or IRA	After-tax Employee Contributions	After-tax Employee Contributions	After-tax Employee Contributions	After-tax Employee Contributions
ESOP Diversification into TIP (prior to 1/1/2005)	Rollover Contributions from Prior Employer Plan(s) or IRA	Rollover Contributions from Prior Employer Plan(s) or IRA	Rollover Contributions from Prior Employer Plan(s) or IRA	Rollover Contributions from Prior Employer Plan(s) or IRA
Company Matching Contributions (vested portion)	ESOP Diversification into TIP* (prior to 1/1/2005)	ESOP Diversification into TIP (prior to 1/1/2005)	ESOP Diversification into TIP (prior to 1/1/2005)	ESOP Diversification into TIP (prior to 1/1/2005)
Company Profit Sharing Contributions (vested portion)	Company Matching Contributions* (vested portion)	Company Matching Contributions (vested portion)	Company Matching Contributions (vested portion)	Company Matching Contributions (vested portion)
Company Contributions from Acquired Company's Prior Plan (vested portion)	Company Profit Sharing* Contributions (vested portion)	Company Profit Sharing Contributions (vested portion)	Company Profit Sharing Contributions (vested portion)	Company Profit Sharing Contributions (vested portion)
After-tax Employee Contributions	Company Contributions from Acquired Company's Prior Plan (vested portion)	Company Contributions from Acquired Company's Prior Plan (vested portion)	Company Contributions from Acquired Company's Prior Plan (vested portion)	Company Contributions from Acquired Company's Prior Plan (vested portion)
Company Contributions made prior to 1/1/1989 (Basic Contribution Account)		Company Contributions made prior to 1/1/1989 (Basic Contribution Account)	Before-tax Employee Contributions (excluding earnings credited after 12/31/1988)	Company Contributions made prior to 1/1/1989 (Basic Contribution Account)
Before-tax Employee Contributions		Before-tax Employee Contributions		Before-tax Employee Contributions
	*Generally requires 5 years of Plan participation	Former ESOP (prior to 1/1/2005)		Former ESOP (prior to 1/1/2005)

INTRODUCTION

Welcome to The Northern Trust Company and one of the most utilized benefit plans offered, the Thrift-Incentive Plan, or TIP for short. As a new hire you are eligible to join TIP as soon as you receive your first paycheck. Prior to enrolling, we think it is important that you fully understand TIP and the benefits it has to offer you. To help you with that process, *Your Sourcebook* describes many important details about the Plan. As this document changes, the most up-to-date copy is always available for viewing on My Place > My Retirement > TIP Overview > Sourcebooks (or from home at http://www.ntrs.com/myplace). If you need additional information or would like to request a free, updated paper copy, dial +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources*™ and to speak with a Representative. Representatives are available between 8 a.m. and 5 p.m. Central time, Monday through Friday.

Now, we invite you to get started... we think you'll be glad you did!

TIP PLAN – WHERE TO GET HELP

Topic	*Contact Information*
Your Benefits Resources™	My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace) or dial +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources™* and to speak with a Representative.
PIN Access/Changes	Dial +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources™* and to speak with a Representative.
Eligibility/Participation/Vesting	Dial +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources™* and to speak with a Representative.
Account Balance Information	My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace)

Distribution After Termination or Retirement	*Your Benefits Resources*™ web site at http://resources.hewitt.com/northerntrust or dial +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources*™ and to speak with a Representative.
Beneficiary Designation Change/Review	My Place > My Retirement > TIP > Add Beneficiaries or Change Beneficiary Allocations
Qualified Domestic Relations Order (QDRO)	Dial +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources*™ and to speak with a Representative.

THRIFT-INCENTIVE PLAN

TIP started out in 1958 as a savings plan (or what was known in those days as a "thrift" plan). It was designed to encourage Northern Trust partners to put something away for the future. Recognizing that a systematic method of saving is not always easy, TIP offered a strong incentive to join the plan: guaranteed matching contributions.

The Thrift-Incentive Plan is still meant to encourage saving—for retirement in particular. But, over the years, TIP has evolved into much more than a "thrift" plan. Today's TIP is a multi-faceted plan that combines tax-advantaged savings and a broad range of investment opportunities.

ELIGIBILITY AND PARTICIPATION

Virtually everyone employed by Northern Trust is eligible to participate in TIP. That includes everyone in Northern Trust affiliates and subsidiaries who have adopted TIP, but excludes foreign nationals overseas as well as certain foreign nationals working in the U.S.

TWO-PART ELIGIBILITY

You become an eligible participant in the plan at two different times. First, you are eligible to contribute to the plan on an unmatched basis after you receive your first paycheck. Second, you become eligible for the Company matching contributions (described later) on the first of the month following your six month service anniversary.

For Example:
Hire Date: March15
Initial Pay Check: March 29
Eligible to make TIP Contributions: April 1
Eligible to make TIP Contributions and to receive Company Match Contributions: October 1

Automatic Enrollment. If you do not join TIP as soon as you are eligible to contribute, you will be automatically enrolled in TIP by the time you receive your fourth paycheck. As a result, you will already be participating in TIP on the date you become eligible for the Company contributions (*See "The Company Matching Contributions"*).

When you are automatically enrolled in TIP, your contribution rate will be set at 6% of eligible pay on a before-tax basis invested in the Northern Trust Focus Fund nearest to your projected retirement age of 62[1]. You can elect to cancel or change your automatic enrollment before it becomes effective. If you want to make changes to your contribution rate and/or how your contributions will be invested, you can do so at any time.

Joining TIP or changing your automatic enrollment involves a number of decisions on your part. For example, you have to tell us

- how much you want to save;
- whether you want to save on a before-tax and/or after-tax basis, and
- how you want your savings invested.

Enrollment restrictions. Keep in mind that enrollment activity that occurs during quarterly restriction periods will be accepted by the *Your Benefits Resources*™ system. However, any enrollment that affects or involves an investment in Northern Trust stock will not be allowed until the pay date after the restriction ends. (*See "Special Deadlines at Quarter End"*.)

Beneficiary designation. You will also be asked to name a beneficiary. That tells us to whom your TIP account balance should be paid in case you die before you retire or leave Northern Trust. If you are single, you may name anyone you choose as your beneficiary. By law, if you are married you must name your spouse as your beneficiary. The only time this provision can be waived is when your spouse agrees to it in writing. Your spouse's waiver must be notarized and filed with the HR Service Center. You will need to name your beneficiary by accessing My Place > My Retirement > Add Beneficiaries. Note that any designation of your spouse as a beneficiary under TIP will become void and will no longer be effective if you and your spouse are divorced.

HOW IT HAPPENS… YOUR BENEFITS RESOURCES™

Most of what you do throughout your participation in TIP will happen through *Your Benefits Resources*™ online through My Place. *Your Benefits Resources*™ is available online at My Place > My Retirement > Access Your Benefits Resources, or from home at http://www.ntrs.com/myplace. For more information, dial +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources*™ and to speak with a Representative.

Once you receive your first paycheck, you can access *Your Benefits Resources*™ online using your My Place login ID and password. You can access *Your Benefits Resources*™ by phone for the first time by using your Social Security number, date of birth and home zip code. You will be required to set a separate password for the telephone system only.

You can use the online system to enroll in the plan, make investment elections and changes, transfer balances, request loans or withdrawals and a variety of other activities.

[1] Your contribution rate will also automatically increase by 1% each year in April until you are contributing 10%.

See the section on *Access Your Benefits Resources™* for more information, including deadlines for various activities.

FUNDING YOUR TIP ACCOUNT

TIP is initially funded with your savings. Once you reach your six month anniversary date, Northern Trust will begin your matching contributions each payday. Remember, you have to put money into the plan to be entitled to the Company's matching contributions. The more you save and the longer you are in the plan, the more Northern Trust will add to your account and the greater your retirement savings will be.

YOUR SAVINGS CHOICES

Whatever you decide to save in TIP comes out of your paycheck each pay period. How it comes out is up to you. Your choices include

- before taxes are taken out;
- after your pay has been taxed, or
- a combination of before-tax and after-tax.

Any way you decide to save, before-tax, after-tax, or some combination of the two, your investment earnings on those savings are tax-sheltered until you take a distribution from the plan.

Most participants can contribute up to a total of 40% of pay, although some higher-paid participants may be limited as described under "Plan limits". Once you decide which way and how much to save, the money is taken from each paycheck and automatically credited to your TIP account. Before making your savings decisions, keep in mind that the rules for withdrawing your before-tax savings are different from those for after-tax savings.

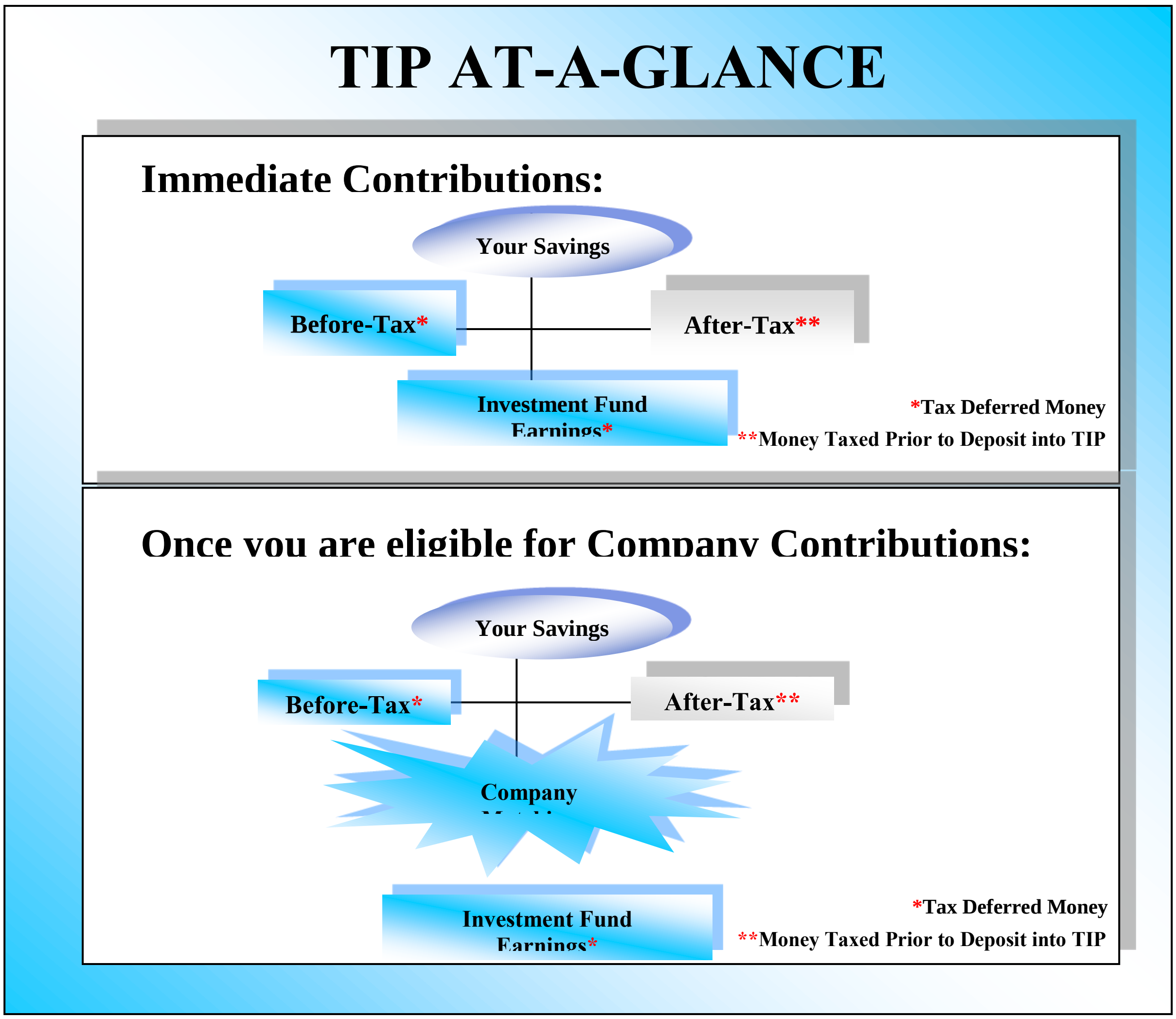
Your "pay" for TIP purposes. For TIP, your pay is defined as your annual base salary, plus shift differentials and including before-tax amounts you contribute to a health or dependent care account or to a transportation fringe benefit program. Severance pay, overtime, bonuses or other types of compensation are not included.

What you save is always yours. The contributions you make to TIP are always yours. After all, it's your money. So, naturally, you have a non-forfeitable right to your own contributions and earnings on these contributions, including any rollover contributions and transfers. The actual value of your account depends on the performance of the funds in which you decide to invest, which are subject to market fluctuations.

BEFORE-TAX CONTRIBUTIONS

TIP, which qualifies as a 401(k)[2] plan, lets you save up to the full contribution limit on a before-tax basis (see Plan Limits). When you save with before-tax dollars, you are actually telling Northern Trust to direct your money to your TIP account instead of to your paycheck. Since whatever you save is not considered taxable income, you shelter part of your current income from federal income taxes.

The tax advantage doesn't end there. Your before-tax contributions stay sheltered from taxes for as long as they remain in the plan. That's usually until you retire or leave Northern Trust and take a final distribution from the plan. That's also when the tax-free status ends. (*See Other Information You Should Know, "Distribution Options… And Their Tax Consequences," for more information on TIP and taxes*.)



[2] 401(k) refers to a section of the Internal Revenue Code that lets employers offer tax-deferred savings vehicles to their employees.

Most states and cities follow the federal tax rules for before-tax contributions. However, depending on where you live, you may have to pay state and local taxes on before-tax contributions. You should check with your own tax advisor to find out whether or not you are liable for these taxes.

AFTER-TAX CONTRIBUTIONS

When you save with after-tax dollars, you are contributing money that has already been taxed. You may contribute up to the full contribution limit of your eligible pay on an after-tax basis. Any earnings on your after-tax savings stay sheltered for as long as they remain in the plan. That's usually when you retire or leave Northern Trust and take a final distribution from the Plan. But, after-tax contributions are further sheltered when you are requesting a withdrawal. Effective with after-tax contributions made on or after January 1, 2002, employee and corresponding Company matching contributions are not eligible for withdrawal until you have participated in the plan for 5 years. (*See Access to Your Savings: Loans and Withdrawals and Withdrawals of after-tax money*.)

Catch-up contributions. You may make a before-tax catch-up contribution in any year in which you are age 50 or older as of December 31 of that year. This catch-up amount is $5,500 for 2014 and will be adjusted annually for cost-of-living changes. Participants eligible for catch-up contributions may contribute those amounts in addition to the regular annual limits, but total contributions may be limited due to other limits the Plan is subject to.

Dividend choices. TIP participants invested in the Northern Trust Stock Fund and/or the Former ESOP Fund have the option to receive Northern Trust stock dividends in cash typically each October or to reinvest them in Northern Trust stock. You may make separate and different elections for stock that you have in the Northern Trust Stock Fund and the Former ESOP Fund.

What are dividends? Dividends represent a share of a corporation's net profits. Some corporations distribute all or part of the Company's profit to shareholders through dividends, while others reinvest profits in the corporation. Each corporation's board of directors makes decisions about dividends, such as if and when to issue them and the amount of the dividends that will be paid.

Northern Trust dividends. Typically, Northern Trust pays dividends quarterly. Currently, participants have a choice of having their dividends in the Northern Trust Stock Fund and/or the Former ESOP Fund reinvested in Company stock on a quarterly basis, or paid out to them in cash once a year.

If your dividends are reinvested, taxes are deferred until you take a withdrawal or receive a distribution from TIP. If you elect to receive a cash dividend, you will be required to pay taxes on it in the year you receive it. You will receive a Form 1099R by January 31 of the year following your dividend payment for use in filing your taxes.

If you choose to receive your dividends in cash, dividends are paid quarterly on the Northern Trust stock in your account and are paid out to you once each year. Dividends to be distributed in cash will be invested in the Northern Trust Collective Short Term

Investment Fund until they are paid out. Interest on these dividends is not paid out to you but stays in TIP. You will receive your cash dividends on all shares of stock allocated to your account, regardless of your vested status. In addition, if you have chosen to have the dividends on your stock reinvested in Company shares, the stock purchased with those dividends will always be fully vested regardless of your vested status.

For stock in the Northern Trust Stock Fund and in the Former ESOP Fund if you became a Former ESOP Plan participant on or after January 1, 2002, you will need to make an active election on *Your Benefits Resources*™ to receive your dividends in cash; otherwise your dividends will continue to be reinvested in Northern Trust stock. If you became a participant in the Former ESOP Plan before January 1, 2002, your dividends will be paid to you in cash unless you make an active election to have them reinvested.

You can make or change your dividend elections for the Northern Trust Stock Fund and/or the Former ESOP Fund at any time. Each election will remain in effect until you change it. The election(s) that is/are in effect for each Northern stock fund on a dividend record date will determine whether that dividend is paid to you in cash or reinvested in Company stock. Please note that you will not be able to change your dividend elections during restricted periods at the end of each calendar quarter. (*See "Fund Trading Restrictions" and "Special Deadlines at Quarter End".)*

Your other Company benefits. When you save with before-tax money, your W-2 form will show your earnings net of your before-tax savings but your full pay will be used to determine your other Northern Trust benefits (such as life insurance, pension and disability benefits). And, since Social Security deductions stay the same, saving with before-tax dollars will not reduce your future Social Security retirement benefits.

Plan limits. The Internal Revenue Service (IRS) has specified savings limits which may affect your contribution amounts.

First, there is an overall annual maximum on the combined before-tax dollar amount you may contribute to any 401(k), including TIP. For 2014, the maximum is $17,500 plus an additional $5,500 for participants who will reach age 50 by December 31, 2014 (a total of $23,000 for 2014).[3]

Next, certain "highly-paid" employees may have their before-tax or after-tax contributions limited to a specific percent of pay in order to ensure compliance with the limits the IRS places on the combination of the participant and company contributions to TIP. In 2014, highly-paid participants with a base pay rate exceeding $120,000 on November 30, 2013 will be limited to 20%. Employees with a base salary equal to or less than $120,000 have a TIP contribution limit of 40% of base salary.

In addition to the above, "highly-compensated" employees may be limited to a reduced contribution in order to ensure that overall plan participation among Northern Trust people will satisfy the IRS participation tests. For this limit, "highly-compensated" employees are defined by the IRS in 2014 as those with total compensation greater than

[3] This figure is subject to annual indexing changes.

$115,000[3] in the prior year (including any 401(k) before-tax contributions, Care Account contributions, and medical, dental, and vision premiums which are not taxable to you.)

Finally, there is an IRS limit on the amount of pay that can be considered for TIP purposes, which for 2014 is $260,000. This figure is subject to annual indexing in $5,000 increments.

The TIP Representative will notify individuals who are affected by any of these limits.

EXAMPLES OF TIP'S BEFORE-TAX SAVINGS ADVANTAGE

The best way to see the advantage of before-tax savings is by example. The examples that follow are based on 2014 federal income tax withholding schedules and FICA tax rates. Your actual tax savings could be even greater because most states allow you to defer state income taxes. Naturally, the amount of tax you actually pay will depend on current tax rates and your own financial situation.

Example A. This example assumes you are married, earn $30,000 a year, claim three federal income tax exemptions and currently save 6% of your gross pay in TIP. Since you can save that 6% on either an after-tax or before-tax basis, what we've shown here is how saving on a before-tax basis can actually increase your take-home pay compared to saving on an after-tax basis.

Before-Tax and After-Tax Savings Comparison
$30,000 Salary

	TIP After-tax Savings	*TIP Before-tax Savings*
Annual Gross Pay	$30,000.00	$30,000.00
TIP Before-tax Savings	- -0-	- 1,800.00
Taxable Income	$30,000.00	$28,200.00
Estimated Federal		
Income Tax Withholding*	$-970.00	$-790.00
Social Security Tax	-2,295.00	-2,295.00
TIP After-tax Savings	- 1,800.00	- -0-
Take-home Pay	$24,935.00	$25,115.00
Increased Take-home Pay		**$180.00**

* Based on 2014 tax rates.

Example B. In the following example, we've shown a married employee earning $60,000 a year, claiming three federal income tax exemptions, who saves 10% of gross pay in TIP.

Before-Tax and After-Tax Savings Comparison
$60,000 Salary

	TIP After-tax Savings	*TIP Before-tax Savings*
Annual Gross Pay	$60,000.00	$60,000.00
TIP Before-tax Savings	- -0-	- 6,000.00
Taxable Income	$60,000.00	$54,000.00
Estimated Federal		
Income Tax Withholding*	$-5047.50	$-4147.50
Social Security Tax	-4,590.00	-4,590.00
TIP After-tax Savings	- 6,000.00	- -0-
Take-home Pay	$44,362.50	$45,262.50
Increased Take-home Pay		**$900.00**

* Based on 2014 tax rates.

HOW MUCH YOU CAN SAVE

Although the most that can be saved in TIP is 40% of pay, you can save in any combination of before-tax and after-tax contributions you like, as long as it's in whole percentages. The most you can save each year dollar-wise on a before-tax basis is determined by law. The amounts can change from year to year. The TIP Representative will let you know during the year if and when your elected contributions exceed the legal plan limits.

You can adjust your savings strategy. Once you elect how much of your pay you want to save, you are not locked into your choice. For example, if you have a salary change due to a raise, you may want to take that opportunity to increase your contribution percentage to TIP. Or, if you work with the forecast feature of the Advisor Service (See "Get Investment Advice from Aon Hewitt Financial Advisors, LLC"), you may learn you need to save more to reach your retirement goals.

Automatic escalation. You can automatically increase your TIP contribution rate each year at a predetermined percent until you reach your contribution goal. You choose how much you want to save now; set a target contribution rate and select the percent increase to occur each year in April until you reach your target.

Generally, you can change your contribution amount any pay period through *Your Benefits Resources*™ (subject to Special Deadlines at Quarter End and Northern Trust Stock Fund Trading Restrictions).

Get investment advice from Aon Hewitt Financial Advisors, LLC. To assist you with your investment decisions, TIP offers access to investment advice from Aon Hewitt Financial Advisors, LLC, which can be accessed from the "Get advice" link on Your Benefits Resources™. Based on various assumptions you choose, the Online Advice service helps you manage the investment analysis process to get you information to assist you in making confident financial decisions. Based on the assumptions you select, this service recommends specific investment options including how much you may wish to invest in each option.

Enroll your TIP account in Aon Hewitt Financial Advisors, LLC Professional Management. To help employees who are not confident about their investment decisions or do not have time to actively manage their accounts, you can enroll in Professional Management to receive professional investment management for a fee of 0.60% of your account balance per year. The investment management fee will be automatically deducted from your TIP account each quarter. Once you enroll in Professional Management, Aon Hewitt Financial Advisors, LLC will provide ongoing professional investment management and will periodically implement investment changes to your TIP account on your behalf.

Automatically rebalance your TIP account. Well-diversified investment portfolios include a mix of investments designed to meet a specific savings objective. As the value of various components of your portfolio changes over time, this pre-set ratio can get out of balance, resulting in a portfolio that may no longer support your savings objective. To help you keep your account on track year in and year out, you can elect to have your TIP account automatically rebalanced once a year.

When you use the Annual Automatic Rebalancing feature, your TIP account balance will be reallocated to your current investment election. Then, on the first business day in February each year, your account balance will re-adjust to the investment election you have at that time. Prior to this date, you can cancel or change your rebalancing election. Keep in mind that the investment elections in place, at the time of your Annual Automatic Rebalancing transaction, will determine how your account balance is reallocated. To make an election for automatic rebalancing, go to *Your Benefits Resources*™ and select Account Summary" from the "Savings and Retirement" menu.

COMPANY MATCHING CONTRIBUTIONS

Once you become eligible for the Company match (on the first of the month following your six month anniversary), Northern Trust will match a portion of what you contribute to TIP. The maximum Company match you'll receive depends on your TIP contributions. The Company match is $.50 for each $1.00 you contribute to TIP up to 6% of your eligible pay (up to the annual IRS salary limit, which is $260,000 for 2014). This translates to an additional 3% of pay in Company contributions. It will be contributed to your TIP account every payday that you make a contribution. Please note that if your total annual contributions to TIP equal 6% of your eligible pay, even if you contributed less than 6% on one or more paydays, Northern Trust will "true up" your

Company matching contributions at the end of the year so that you receive the maximum 3% Company match for that year.

To obtain the maximum Company match, you must contribute 6% of your annual TIP eligible pay, which will result in a total Company match equal to 3% of pay. The following example shows how we compute a 3% match when you contribute 6%.

If you earn $30,000 and decide to save 6% in TIP:	$30,000 x 6% = $1,800
The Company match is $.50 up to 6%:	$1,800 x $.50 = $900

The Company matching contribution to your TIP account will be based on your match eligible contributions during that year (i.e. contributions made after you become eligible for the Company Match.) The Company match will be paid to your TIP account every payday and invested according to the elections you have in place at the time.

Vesting. You earn a right to the Company's matching contributions over time, through what is known as "vesting". Your vested balance in the Company's matching contributions, and in any investment income and market adjustments attributable to them, increases with each year of service as outlined in the following table.

TIP Vesting Schedule

Completed Years Of Service	*Vested Percentage*
Less than 1	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

Different vesting rules apply for certain acquisitions. Contact a TIP Representative for details if you were an employee of an acquisition.

Once you have completed five years of service, you become 100% vested in the Company's contributions to your TIP account. Any contributions Northern Trust makes after that are yours as soon as they are made. The same is true of any investment earnings on Company contributions. If you were in TIP before January 1, 1989, your TIP account will also reflect the Basic contributions the Company made on your behalf.

If you leave Northern Trust, you will forfeit any non-vested contributions in your TIP account. You can get them back if you are reemployed by Northern Trust within five years. But first you'll have to repay the full dollar amount of any TIP distribution you received when you left Northern Trust (including any Former ESOP distribution). You have five years from the date of your return to do so. (*See Other Information You Should Know, "Reemployment."*)

Situations that provide full vesting. The only time service is not used to determine vesting is if you terminate employment after your normal retirement date (usually age 65) or after reaching early retirement age under the Northern Trust Pension Plan, if you are on disability for more than 12 consecutive months, become permanently disabled, die (including death while performing qualified military service if you would have been eligible for reinstatement of employment with Northern Trust on the date before your death), or if there is a change-in-control. If any of those events happen, you will be considered fully vested in the value of all Company matching contributions, including earnings on those contributions, regardless of your service at the time. (*See "Other Information You Should Know, Leaves of Absence*).

ROLLOVERS

In addition to your contributions and the Company contributions, money can go into your TIP account from qualified rollovers[4]. If you participated in a previous employer's tax-qualified retirement plan or an IRA, you may be able to "roll over" the benefits you have built up in the other plan to TIP. To do so, request a rollover form online at *Your Benefits Resources™*. Eligible before-tax and after-tax contributions are allowed to be rolled over.

To avoid tax withholding from the payment, you must have the check made payable directly to The Northern Trust - TIP. If the check is made payable to you and taxes were withheld, you can still roll the funds into TIP, but you must make the rollover within 60 days after you receive your distribution from the other plan. If you had already deposited your distribution into an IRA, you can still roll it over to TIP (as long as you can provide the required documentation). Taxes on the before-tax money you roll over (and interest and earnings on any after-tax rollover money) are deferred until the rollover is paid out to you.

Approved rollover contributions are held in a special account for you and automatically invested in the Northern Trust Focus Fund nearest to your projected retirement age of 62. You can then access *Your Benefits Resources™* to transfer your rollover balance to other funds. Rollover deposits receive the same tax treatment at distribution as corresponding contributions made to TIP (i.e. before-tax or after-tax). Rollovers are accepted and processed each business day. (*See Other Information You Should Know, "Handling Your Requests," for when forms must be received by TIP Representatives.*)

[4] Effective December 5, 2013, employees who leave Northern Trust, are under the age of 65, and continue to maintain an account balance within TIP may request a direct rollover of their lump sum distribution from their Northern Trust Pension Plan into TIP. This will enable participants to defer their Northern Trust retirement plan savings for consolidation in one account.

INVESTING YOUR SAVINGS

TIP's investment funds allow you to develop a strategy that best fits your own long-range savings needs. You can invest in one or any of the funds in increments of 1%. The investment decisions you make apply to both your contributions and the Company's matching contributions.

You have the opportunity to choose the fund or funds that are right for you. Depending on your interest and/or expertise in investing, you may prefer a more hands-off approach (i.e., "Help-Me-Do-It"), you may want to play an active role in managing your investments (i.e., "Do-It-Myself"), or you may want someone else to manage your investments for you (i.e., "Do-It-For-Me"). Refer to the following chart for help in deciding which approach fits your individual investment style and level of investment expertise.

"Help-Me-Do-It"	"Do-It-Myself"	"Do-It-For-Me"
Northern Trust Focus Funds	Passively Managed Investment Funds: · Northern Trust Inflation-Protected Securities Index Fund · Northern Trust Bond Index Fund · Northern Trust Large Cap Equity Index Fund · Northern Trust Mid Cap Equity Index Fund · Northern Trust International Equity Index Fund · Northern Trust Small Cap Equity Index Fund	Aon Hewitt Financial Advisor, LLC Professional Management
Or	And/or	
Aon Hewitt Financial Advisors, LLC Online Advice	Actively Managed Investment Funds: · Northern Trust Stable Asset Fund · Wells Fargo Advantage Core Bond Fund · PIMCO Foreign Bond Fund · PIMCO All Asset Fund · Victory Diversified Stock Fund · Hartford Mid Cap HLS Fund · · MFS Institutional International Equity Fund · Aberdeen Emerging Markets Institutional Fund · Jennison Small Cap Equity Fund · Northern Trust Stock Fund	

"Help-Me-Do-It"

If you want help with selecting your TIP investments so that your TIP balance is allocated among a diversified range of investments, you have a couple of options.

First, the Northern Trust Focus Funds, also called target date funds or "life cycle" funds, are asset allocation funds that allow you to pick a single fund and get a diversified portfolio instead of having to build it yourself. You determine when you plan to retire and choose the target date fund that is closest to your retirement date. Gradually, as your expected retirement date nears, the fund automatically shifts assets toward a more conservative investment strategy. The Northern Trust Focus Funds available in TIP invest in multiple passively managed index funds. This means that portfolio managers invest in securities that are included in the market index they are trying to replicate, with the objective of matching the characteristics and performance of that index. Because index funds are not actively managed, they tend to have lower expenses.

Participants in TIP also have the option to obtain investment advice through the "Get advice" link on the *Your Benefits Resources*™ website. Based on various assumptions which you choose, the Aon Hewitt Financial Advisor, LLC Online Advice service will make specific recommendations based on the TIP investment options available, including how much you may wish to invest in each option. If you accept the recommendations, *Your Benefits Resources*™ will automatically apply the advice from Aon Hewitt Financial Advisors, LLC to your TIP account. There is no charge to you for the Online Advice service.

"Do-It-Myself"

Individuals who prefer to actively manage their investments in TIP can make their own investment decisions and choose from the array of investment options available through TIP. TIP offers investment options that are both passively and actively managed. Passively managed funds, also referred to as "index" funds, are basically a pre-mixed asset allocation strategy that reflects the securities that are included in a market index the fund manager is trying to replicate. The objective is to represent the characteristics, and generate returns that match the performance, of a major market index over the long term. Because index funds are not actively managed, thus requiring little research and less trading, they tend to have lower expenses. Conversely, actively managed funds are managed by portfolio managers who actively trade the securities in the fund with the goal to generate returns that attempt to outperform the performance of their comparable benchmark, or market index. Expenses for actively managed funds also tend to be higher when compared to their passively managed peers.

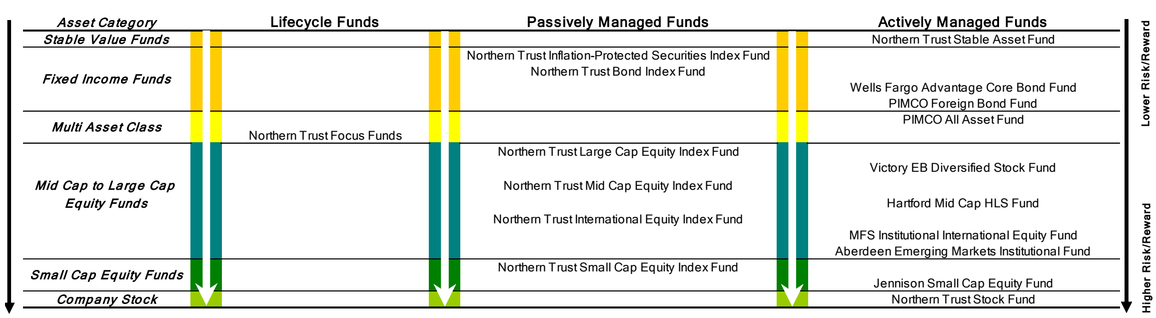
"Do-It-For-Me"

If you prefer more extensive financial management service, a so-called "Do-It-For-Me" approach, you can engage Aon Hewitt Financial Advisors, LLC to provide, as well as implement, investment advice for you by enrolling in their Professional Management service. For the Professional Management service, you will pay no more than 0.60% of your TIP balance per year which will be deducted from your TIP account on a quarterly basis. Discounts are available for larger balances: 0.60% per year for the first $100,000 in your account, 0.45% per year for the next $150,000 in your account and 0.30% per year for the amount above $250,000. For more information about accessing the Online Advice service, additional information about fees for Professional Management or enrolling in Professional Management, log on to *Your Benefits Resources*™ through My Place > My Retirement > Access Your Benefits Resources, Northern Trust's HR site on the intranet. Simply click on the *Get Advice* link.

INVESTMENT FUNDS

Each fund described below represents a different type of investment. As you can see by the risk and return chart, each investment fund has its own degree of growth potential and risk. Generally speaking, the funds that have the greatest potential for investment growth are usually subject to greater risk. For more information about the funds, including investment management and other fees, or a prospectus (if applicable) on any of the available investments, contact *Your Benefits Resources*™.

TIP Risk-Return Spectrum



- **Stable Asset** (Northern Trust Collective Stable Asset Fund, referred to as Northern Trust Stable Asset Fund)[5]. This Fund seeks to provide a competitive, short term, total rate of return while preserving the safety of capital and limiting market risk. The Fund is a portfolio constructed of investment contracts, entered into with insurance companies or financial institutions. Investment contracts may be traditional (backed by an insurance company's general account) or synthetic, (backed by either direct or indirect ownership in high quality, marketable fixed income securities). The Fund's investments are managed to strive for credit rates that move generally in the direction of prevailing market rates[6].

- **Inflation-Protected Securities Index** (Northern Trust Collective Treasury Inflation-Protected Securities (TIPS) Index Fund – Non-Lending, referred to as

[5] It is anticipated that withdrawals and transfers from this Fund will be permitted on a daily basis, subject to the quarter-end restrictions. Although highly unlikely, the Fund reserves the right to impose other restrictions on withdrawals and transfer activity. For example, the Fund can require 30-day notice on withdrawals for benefit payments and for participation-directed transfer if insufficient liquidity were available to satisfy such requests. We do not anticipate that these restrictions will be imposed.

[6] The fund's duration changes daily, but is published quarterly and reflected on the investment performance page on YBR.

Northern Trust Inflation-Protected Securities Index Fund). This Fund seeks to provide inflation protection and income consistent with investment in inflation-indexed securities. The Fund typically invests at least 80% of assets in inflation-indexed bonds issued by the U.S. government. It may invest in bonds of any maturity, though the Fund typically maintains a dollar-weighted average maturity of 7 to 20 years.

- **Fixed Income Index** (Northern Trust Collective Aggregate Bond Index Fund – Non-Lending, referred to as Northern Trust Bond Index Fund). This Fund seeks to provide investment results approximating the overall performance of the securities included in the Barclays Capital U.S. Aggregate index. The Fund typically invests at least 80% of its assets in bonds and other fixed-income securities included in the Barclays Capital U.S. Aggregate Index in weightings that approximate the relative composition of securities contained in the index, maintaining a dollar-weighted average maturity consistent with the index.

- **Fixed Income** (Wells Fargo Advantage Core Bond Fund). This Fund seeks total return, consisting of income and capital appreciation. Under normal circumstances, the Fund will invest at least 80% of the net assets in bonds; at least 80% of the total assets in investment-grade debt securities; up to 25% of the total assets in asset-backed securities; and up to 20% of the total assets in securities of foreign issuers. The Fund expects to maintain a dollar weighted effective duration range between 4 and 5 1/2 years.

- **International Fixed Income** (PIMCO Foreign Bond Fund USD Hedged I). This Fund is a portfolio consisting primarily of intermediate duration non-U.S. fixed income securities from investment grade issuers in developed countries, with limited currency exposure. The Fund is actively managed to maximize total return potential, while minimizing any increase in risk relative to the market benchmark.

- **Real Return** (PIMCO All Asset Fund). This Fund typically invests in various real return assets including Treasury inflation protected securities (TIPS), commodities, currency, REITS, timber, infrastructure and global natural resources. (Strategy can also include equity and fixed income investments, and involve “global tactical asset allocation among the various asset classes/strategies”). The objective of real return investments is to provide a hedge against inflation. A real return strategy sometimes targets a return exceeding inflation by a premium.

- **Target Retirement Date** (Northern Trust Focus Funds). The Northern Trust Focus Funds are a type of dynamic asset allocation investment. This means that the Funds’ asset allocations — or mix of investments — are managed to gradually change over time according to your expected retirement year or anticipated distribution date. By balancing the risk level with the number of years until retirement, the Funds allow you to maintain a long-term perspective as you invest for your future. Following what is known as a glide path, each of the Focus Funds has an asset allocation that is professionally designed to take into account the goals of a broad range of investors of varying ages and retirement time horizons. The farther away retirement is, the more growth oriented the Fund's investment mix will be. As time goes by and the

Fund's target date approaches, the investment mix becomes more conservative. Approximately ten years after the Fund reaches its target date, the targeted asset allocation will be that of the Focus Income Fund, a target retirement date Fund that provides an asset allocation for people in retirement. Keep in mind that age is just one factor to consider in choosing a Focus Fund. Your selection could be different, depending on your attitude toward investing and your appetite for risk.

- **Large Cap Equity Core Index** (Northern Trust Collective S&P 500 Index Fund DC - Non-Lending, referred to as Northern Trust Large Cap Equity Index Fund). This Fund seeks to provide investment results approximating the aggregate price and dividend performance of the S&P 500 Index. The Fund typically invests at least 80% of its net assets in the equity securities of the companies that make up the S&P 500 Index, in weightings that approximate the relative composition of the securities contained in the S&P 500 Index and in S&P 500 Index futures approved by the Commodity Futures Trading Commission.

- **Large Cap Core Equity** (Victory Diversified Stock Fund). This Fund seeks to provide long-term capital appreciation through a diversified portfolio of primarily large market capitalization equity securities. The Fund typically invests at least 80% of its assets in equity securities of large capitalization companies and may make limited investments in the securities of foreign issuers.

- **Mid Cap Equity Index** (Northern Trust Collective S&P 400 Index Fund – DC – Non-Lending, referred to as Northern Trust Mid Cap Equity Index Fund). The Fund seeks to provide investment results approximating the overall performance of the common stocks included in the S&P Mid Cap 400 Index. The Fund typically invests at least 80% of its net assets in the equity securities included in the S&P Mid Cap 400 Index, in weightings that approximate the relative composition of securities contained in the index.

- **Mid Cap Equity Core** (Hartford Mid Cap HLS Fund Class IA). This Fund seeks long-term capital growth by investing primarily in stocks selected by a sub-adviser (Wellington Management Company, LLP). It normally invests at least 80% of its net assets in common stocks of mid-capitalization companies, defined by the Fund as companies with market capitalizations within the collective range of the Russell Midcap and S&P Midcap Indices. The Fund may invest up to 20% of its net assets in securities of foreign issuers and non-dollar securities. It favors high-quality companies.

- **International Equity Index** (Northern Trust Collective All Country World Index (ACWI) ex-US IMI Fund – DC – Non-Lending, referred to as Northern Trust International Equity Index Fund). The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located outside of the United States. The Fund is designed to track the performance of the MSCI ACWI ex US IMI Index, which captures large, mid and small cap representation across Developed Markets countries (excluding the United States) and Emerging Markets countries.

- **International Equity Core** (MFS Institutional International Equity Fund). The Fund seeks long-term capital appreciation by investing equity securities, primarily in foreign markets. In seeking long-term capital appreciation, the Fund will invest, under normal circumstances, at least 80% of its net assets in equity securities. The Fund intends to invest in the securities of companies of any size, located in a number of countries throughout the world, including emerging markets. The Fund may invest a large percentage of its assets in issuers in a single country, a small number of countries, or a particular geographic region.

- **Emerging Markets** (Aberdeen Emerging Markets Institutional Fund). This Fund seeks long-term capital appreciation by investing primarily in equity securities of emerging market country issuers. Emerging markets are in countries that are in the process of industrialization, with lower gross national products ("GNP") than more developed countries. The Fund may invest in securities denominated in major currencies, including U.S. dollars, and currencies of emerging market countries in which it is permitted to invest.

- **Small Cap Equity Index** (Northern Trust Collective Russell 2000 Index Fund – DC – Non-Lending, referred to as Northern Trust Small Cap Equity Index Fund). This Fund seeks to provide investment results approximating the aggregate price and dividend performance of the securities included in the Russell 2000 index. The Fund typically invests at least 80% of total assets in the securities included in the Russell 2000 index, in weightings that approximate the relative composition of the securities contained in the index.

- **Small Cap Equity Core** (Jennison U.S. Small Cap Equity Fund, referred to as Jennison Small Cap Equity Fund). This Fund seeks to provide long-term capital appreciation through a diversified portfolio of primarily small market capitalization equity securities. In seeking long-term capital appreciation, the Fund typically invests at least 80% of its assets in equity securities of small capitalization companies and may make limited investments in the securities of foreign issuers.

- **Company Stock** (Northern Trust Stock Fund and Former ESOP Fund). These Funds are invested primarily in shares of common stock of Northern Trust Corporation, except as otherwise required to provide liquidity for distributions and withdrawals, and for cash dividends pending distribution or reinvestment. Effective March 1, 2002, the Northern Trust Stock Fund became an Employee Stock Ownership Plan. In addition, participants cannot make new contributions to or transfer amounts into the Former ESOP Fund (*See Information You Should Know about the Former ESOP Fund*)

Note: One investment instruction applies to both your contributions and the Company's matching contributions. However, investing in Northern Trust Stock may be restricted from time to time as noted in the Fund Trading Restrictions section.

ADJUSTING YOUR INVESTMENT STRATEGY

Daily valuation. The plan is "daily valued." Just as the name implies, the value of your individual TIP account is updated every business day. Whenever you contact *Your Benefits Resources™* to check on your account, you will receive information that reflects closing fund prices and account activity from the previous business day including market changes in your TIP funds, contribution rate changes, investment election changes, loan disbursements and withdrawals. Daily valuation gives you the opportunity to access and manage your account as frequently as you wish, subject to the Special Deadlines at Quarter End, the Fund Trading Restrictions, and processing deadlines.

The Northern Trust Company Employee Benefit Administrative Committee has designated Hewitt Associates LLC to accept and process your investment instructions. This is done by accessing *Your Benefits Resources™.*

Changing your contribution rate. You can change your contribution rate by accessing *Your Benefits Resources™* via My Place > My Retirement > Access Your Benefits Resources (or from home at http://www.ntrs.com/myplace) three business days following payday to be effective for the next payday. The exception to this is for contribution rate changes that are requested during the "Special Deadlines at Quarter End" restriction period. During this time, all contribution rate change requests that involve the Northern Trust Stock Fund will not be allowed until after the restriction period ends.

Changing your future investment elections. You can change the way you invest your new contributions for any payroll period. If you access *Your Benefits Resources™* by stock market close the business day before a payday (subject to the "Special Deadlines at Quarter End" restrictions), the change will become effective on that payday. Changes requested during the restriction period that affect or involve the Northern Trust Stock Fund will not be allowed until after the restriction period ends. Keep in mind that changing future investment elections has no effect on your existing account balances, unless you have elected to use the Annual Automatic Rebalancing feature.

FUND TRADING RESTRICTIONS

The Northern Trust Stock Fund and Former ESOP Fund will not be available for fund transfers, loan disbursements, reallocations, withdrawals or distributions during the Special Deadlines at Quarter End restriction period. Additionally, if you request a contribution rate change, future investment change or enrollment that affects or involves Northern Trust stock during these periods, the request will not be allowed until after the restriction period ends. Finally, you will not be able to make or change an election to receive Northern Trust stock dividends in cash or reinvest dividends in Northern Trust stock during a restriction period.

TIP transfer transactions for the reallocation of fund balances and the transfer of specific amounts will be limited to two trades per calendar quarter (a trade means one sale or transfer out of an investment fund followed by a purchase into that same investment fund). In addition, you must wait at least seven calendar days before transferring amounts back into the same fund. The Stable Asset Fund is not subject to this trading limitation, nor is the Former ESOP Fund since this fund does not accept any transfers in. In addition to the two trade limit, participants may at any time sell or transfer all or part of their investment from any investment fund option even if they have reached the trading limit for that fund (however, the Northern Trust Stock Fund and Former ESOP Fund will continue to be subject to the Special Deadlines at Quarter End).

Generally, you can transfer your investments from one fund to another on a daily basis, subject to:

1. The "Special Deadlines at Quarter End" restrictions. During the restriction period, transfer requests involving changes to your Northern Trust Stock Fund and/or Former ESOP Fund balances are not accepted. You will need to make your transfer request involving Northern stock once the restriction is lifted.

2. The "Fund Trading" restrictions. Transfers, including reallocations, affecting your investment fund balances (excluding the Northern Trust Stable Asset Fund and Former ESOP Fund) are limited to two trades (i.e., sale followed by a purchase) per quarter, with a minimum of seven days between the transactions.

3. The "Former ESOP Fund" restrictions. Once you transfer all or part of your account balance out of the Former ESOP Fund you cannot transfer back in, nor can you move existing TIP money into the Former ESOP Fund.

Dividends and interest. Dividends and interest earned on each fund, except the Northern Trust Stock Fund and Former ESOP Fund, are reinvested in that fund. Investment earnings (if any) are not taxed until you receive a distribution from the plan. Dividends paid on Northern Trust stock in the Northern Trust Stock Fund and/or the Former ESOP Fund may be reinvested in stock or received in cash, based on your elections (See Dividend Choices).

How is your account valued? The value of your TIP account reflects the performance of the fund(s) in which you have invested. Investment performance takes into account two factors:

- income (interest and dividends), which can only increase the value of your account; and

- changes in market value, which can either increase or decrease the value of your account.

The below chart illustrate how a single contribution of $1,000 savings can grow at various rates of return.

How Your Money Can Grow in TIP $1,000 of savings at various rates of return						
Years of Saving	4%	5%	6%	7%	8%	9%
5	$ 1,217	$ 1,276	$ 1,338	$ 1,403	$ 1,469	$ 1,539
10	1,480	1,629	1,791	1,967	2,159	2,367
15	1,801	2,079	2,397	2,759	3,172	3,642
20	2,191	2,653	3,207	3,870	4,661	5,604
25	2,666	3,386	4,292	5,427	6,848	8,623
30	3,243	4,322	5,743	7,612	10,063	13,268
35	3,946	5,516	7,686	10,677	14,785	20,414
40	4,801	7,040	10,286	14,974	21,725	31,409

Account summaries. You can access *Your Benefits Resources*™ at any time to print your account summary. Your summary will include TIP activity by fund for the period you requested, including your own contributions, any Company matching contributions, and any investment earnings or losses during the requested period. You may also review any withdrawals, loans, or investment transfers you have made.

Investment decisions. Although the Aon Hewitt Financial Advisors Online Advice service will provide you with information about the funds as well as investment related information, your investment decisions are your own and should reflect your personal objectives. Even if you have elected to use Aon Hewitt Financial Advisors Professional Management tool, you should regularly review your account investments to be certain your personal and financial investment objectives are being met. You should consider all of the funds carefully, as well as your general personal and financial situation, before making your investment choice.

Also, keep in mind that any investment carries a degree of risk. The annual rate of return on your investments will vary depending on the funds in which you invest. How the funds have performed in the past does not guarantee that those results will continue. It is up to you to monitor the funds through the *Your Benefits Resources*™ tools provided and to make investment elections that meet your own financial goals. The Trustees, Investment Managers, Aon Hewitt Financial Advisors, LLC, or the Company cannot guarantee against losses.

ACCESS TO YOUR SAVINGS: LOANS AND WITHDRAWALS

TIP is a long-term savings and investment plan that is meant to encourage you to save toward retirement. Even so, you may have access to your savings before then through loans and withdrawals. Loans and withdrawals give you a degree of flexibility but they are governed by federal law, which makes it vital that you understand their respective rules.

LOANS

If you are an active employee and have a TIP balance, you may borrow from your TIP account for any reason. You do pay interest on your loan (which is paid to your TIP account), but there is no federal income or excise tax imposed on what you borrow. In most cases, you may have two loans outstanding at any given time. You can request a loan by accessing *Your Benefits Resources*™ online. Disbursements are made any business day Monday through Friday, subject to the Special Deadlines at Quarter End.

How much can you borrow? The minimum amount you can borrow is $1,000, with larger amounts in increments of a dollar. The most you can borrow is generally 50% of your vested account balance (excluding any amounts in your Former ESOP Fund account), to a limit of $50,000.

Maximum Loan Amount

The maximum amount available as a loan is the lesser of:

1. 50% of your vested account balance (excluding any amounts in your Former ESOP Fund account) or
2. $50,000 less your highest outstanding loan balance during the last 12 months over the amount of any loan outstanding at the time of the new loan.

Note: If you currently have a loan outstanding, or had a loan outstanding within the previous 12 months, you can find out what your maximum loanable amount is by accessing *Your Benefits Resources*™ online.

Will I pay a fee for taking a loan? Beginning with loans requested in 2010, an administrative fee will be applied to the processing for each TIP loan. Effective August 1, 2013 the administrative fee of $100 per loan is added to the principal loan amount and reflected in the payments deducted each payroll period from your paycheck.

How is loan money disbursed? When you take a loan, the money will be disbursed from your accounts in the following order until the respective funds are depleted.

Loan Disbursement Method*	
Account Order	***Fund Depletion Order***
Rollover ESOP Diversification (prior to 1/1/2005) Company Matching Contribution (vested portion) Company Profit Sharing Contribution (vested portion) Acquired Company Prior Plan (vested portion) After-tax Basic contribution Before-tax	• Northern Trust Stable Asset Fund • Northern Trust Inflation-Protected Securities Index Fund • Northern Trust Bond Index Fund • Wells Fargo Advantage Core Bond Fund • PIMCO Foreign Bond Fund • PIMCO All Asset Fund • Northern Trust Focus Income Fund • Northern Trust Focus 2010 Fund • Northern Trust Focus 2015 Fund • Northern Trust Focus 2020 Fund • Northern Trust Focus 2025 Fund • Northern Trust Focus 2030 Fund • Northern Trust Focus 2035 Fund • Northern Trust Focus 2040 Fund • Northern Trust Focus 2045 Fund • Northern Trust Focus 2050 Fund • Northern Trust Focus 2055 Fund • Northern Trust Large Cap Equity Index Fund • Victory Diversified Stock Fund • Northern Trust Mid Cap Equity Index Fund • Hartford Mid Cap HLS Fund • Northern Trust International Equity Index Fund • MFS Institutional International Equity Fund • Aberdeen Emerging Markets Institutional Fund • Northern Trust Small Cap Equity Index Fund • Jennison Small Cap Equity Fund • Northern Trust Stock Fund**
*Please note that amounts attributable to your Former ESOP Fund account (and earnings on those amounts) are not available for loans, even if you have transferred those amounts into another investment fund. (*See Information You Should Know About the Former ESOP Fund, "Diversification of Former ESOP Fund").* **Amounts in Northern Trust Stock Fund are not available during the "Special Deadlines at Quarter End" restriction periods.	

Repaying your loan. You must repay your loan in equal installments. Repayments are made on an after-tax basis through payroll deductions each payday. All principal and interest repayments are credited to your account. You choose the loan repayment period, which can be up to five years. If the loan is used to buy your principal single family residence, you can take up to 15 years to repay it. Partial pre-payment is not allowed, but you can repay your outstanding balance in full at any time by contacting *Your Benefits Resources™*.

If you leave Northern Trust and are eligible for a final distribution before you have paid off your loan(s), the outstanding principal balance will be reported to the IRS as ordinary income. Upon termination, an outstanding loan balance is considered a distribution. As such, it is subject to taxes. To avoid taxes you may repay the loan in full to your TIP account at termination or add the full amount of the outstanding loan to your rollover payment within 60 days from the date the loan is taxed.

Loans Processed On or After July 31, 2013. If you leave Northern Trust and have an outstanding loan that was processed after July 31, 2013, you may continue to repay the loan by setting up a direct debit from a personal account of your choice. As an employee your loan repayments are deducted from your pay check each pay period. If you choose to continue making payments on your loan when you leave Northern Trust, your loan will be re-amortized to a monthly schedule. As long as you make the scheduled monthly payments and keep your TIP account balance in the plan, you can avoid paying taxes on the remaining loan balance. Please refer to the paragraph above, if you have any loans that were processed prior to July 31, 2013.

Interest on your loan. The interest rate on a loan is based on the rate for a commercial loan secured by a savings account in Illinois at Northern Trust. As of November 1, 2013, this interest rate was the prime rate, 3.25%, plus 1.50%. The interest rate in effect when you apply for a loan stays the same throughout your loan. All principal and interest repayments are credited to your TIP account and deposited into the investment funds you have selected on the date the payment is made.

Applying for a loan. To apply for a loan, access *Your Benefits Resources™*. Your check will be processed within two business days following your request and will be mailed to your home address.

WITHDRAWALS

In general, how much you can withdraw from your TIP account depends on your age and on the type of contributions you wish to withdraw. TIP allows daily withdrawal request opportunities and three types of withdrawals: regular, age 59½ and hardship. However, it is important to note that not all types of withdrawals are available at any given time. For example, if you are eligible for a hardship withdrawal, you will not be able to request a hardship until you exhaust all other withdrawal opportunities, including regular and age 59½ withdrawals.

The rules governing each are different, as described below. All money not already taxed (such as your before-tax contributions, the Company match, Profit Sharing and Basic contributions, all earnings, etc.) that is withdrawn while you are an employee is taxed as ordinary income. You may be liable for an additional 10% federal excise tax on the amount withdrawn. (*See Other Information You Should Know, "Distribution Options… And Their Tax Consequences," for more details on the excise tax.*) Disbursements for regular, age 59½ and hardship withdrawals are processed each business day.

Note: Participants who are at least age 55 with 10 years of plan participation are eligible to withdraw as cash any or all of their Former ESOP Fund balance at any time (subject to Special Deadlines at Quarter

End). These withdrawals are made in reverse order from a regular withdrawal, starting with amounts in your Former ESOP Fund.

Regular withdrawals. You can make unlimited regular withdrawal requests. Here are the accounts you can access and the order in which regular withdrawals are made from your accounts.

Regular Withdrawal Disbursement Method*	
Account Order	***Fund Depletion Order***
After-tax** Rollover ESOP Diversification (prior to 1/1/2005)** Company Matching Contribution (vested portion)** Company Profit Sharing Contribution (vested portion)** Acquired Company Prior Plan (vested portion)**	• Northern Trust Stable Asset Fund • Northern Trust Inflation-Protected Securities Index Fund • Northern Trust Bond Index Fund • Wells Fargo Advantage Core Bond Fund • PIMCO Foreign Bond Fund • PIMCO All Asset Fund • Northern Trust Focus Income Fund • Northern Trust Focus 2010 Fund • Northern Trust Focus 2015 Fund • Northern Trust Focus 2020 Fund • Northern Trust Focus 2025 Fund • Northern Trust Focus 2030 Fund • Northern Trust Focus 2035 Fund • Northern Trust Focus 2040 Fund • Northern Trust Focus 2045 Fund • Northern Trust Focus 2050 Fund • Northern Trust Focus 2055 Fund • Northern Trust Large Cap Equity Index Fund • Victory Diversified Stock Fund • Northern Trust Mid Cap Equity Index Fund • Hartford Mid Cap HLS Fund • Northern Trust International Equity Index Fund • MFS Institutional International Equity Fund • Aberdeen Emerging Markets Institutional Fund • Northern Trust Small Cap Equity Index Fund • Jennison Small Cap Equity Fund • Northern Trust Stock Fund***

*Please note that amounts attributable to your Former ESOP Fund account (and earnings on those amounts) are not available for regular withdrawals, even if you have transferred those amounts into another investment fund. (*See Information You Should Know About the Former ESOP Fund, "Diversification of Former ESOP Fund").*

**If you have less than five years participation in TIP when you request a withdrawal, the amount available for withdrawal is reduced by any pre-2002 after-tax contributions that were matched by the Company and any pre-2002 Company matching contributions made in the 24 months before your withdrawal request.

For contributions on and after January 1, 2002, any employee after-tax contributions, corresponding Company matching contributions or Profit Sharing contributions will not be eligible for withdrawal until you have participated in TIP for five years. Also, pre-2005 deposits of ESOP diversification amounts may not be withdrawn until you have participated in TIP for five years.

***Amounts in the Northern Trust Stock Fund are not available during the "Special Deadlines at Quarter End" restriction periods.

Note: Effective January 1, 2009, participants on military leave receiving differential pay will be able to withdraw their before-tax contributions in addition to the other contribution accounts listed above. However, as required by federal tax law, any such participant on military leave who withdraws before-tax contributions will not be allowed to make before-tax contributions to TIP for six months after the distribution.

Age 59½ withdrawals. If you are 59½ or older, you can withdraw your entire vested TIP account balance for any reason. Except for amounts contributed to your after-tax account, these withdrawals are taxed as ordinary income, but the 10% excise tax penalty does not apply. Following are the accounts you can access and the order in which age 59½ withdrawals are made from your accounts.

Age 59½ Withdrawal Disbursement Method	
Account Order	***Fund Depletion Order***
After-tax Rollover ESOP Diversification (prior to 1/1/2005) Former ESOP Company Matching Contribution (vested portion) Company Profit Sharing Contribution (vested portion) Acquired Company Prior Plan (vested portion) Basic contribution Before-tax	• Northern Trust Stable Asset Fund • Northern Trust Inflation-Protected Securities Index Fund • Northern Trust Bond Index Fund • Wells Fargo Advantage Core Bond Fund • PIMCO Foreign Bond Fund • PIMCO All Asset Fund • Northern Trust Focus Income Fund • Northern Trust Focus 2010 Fund • Northern Trust Focus 2015 Fund • Northern Trust Focus 2020 Fund • Northern Trust Focus 2025 Fund • Northern Trust Focus 2030 Fund • Northern Trust Focus 2035 Fund • Northern Trust Focus 2040 Fund • Northern Trust Focus 2045 Fund • Northern Trust Focus 2050 Fund • Northern Trust Focus 2055 Fund • Northern Trust Large Cap Equity Index Fund • Victory Diversified Stock Fund • Northern Trust Mid Cap Equity Index Fund • Hartford Mid Cap HLS Fund • Northern Trust International Equity Index Fund • MFS Institutional International Equity Fund • Aberdeen Emerging Markets Institutional Fund • Northern Trust Small Cap Equity Index Fund • Jennison Small Cap Equity Fund • Northern Trust Stock Fund* • Former ESOP Fund*
*Amounts in Northern Trust Stock Fund or Former ESOP Fund are not available during the "Special Deadlines at Quarter End" restriction periods.	

Eligibility for Special Tax Treatment. Age 59½ withdrawals that include balances of Northern Trust stock held in either the Northern Trust Stock Fund or the Former ESOP Fund will be eligible for distribution in shares or cash. Note that under applicable federal tax law, attaining age 59½ is considered to be a qualified lump sum event. As a result, as long as a distribution of your entire TIP account balance is taken after turning age 59½, and provided that you have not taken any partial withdrawals since reaching that age, special tax treatment can apply to Northern Trust stock that is distributed to you in shares.

Special tax treatment may apply to shares of Northern Trust stock distributed to you (not rolled over to an Individual Retirement Account (IRA)) as part of a lump sum distribution. Under IRS rules, a lump sum distribution means a distribution of the entire balance of a participant's TIP account in one taxable year. Under this circumstance, you may have the option of not paying tax on the "net unrealized appreciation" (NUA) of the stock until you sell it. NUA is the increase in the value of the Northern Trust stock while it was held in TIP. Ordinary income tax applies to the "cost-basis" value of the stock at the time it is distributed, and any gains on the NUA of the stock when later sold will be taxed at the capital gains tax rate in effect at that time. The "cost-basis" value represents the cost of the shares when they were purchased in TIP. Depending on each participant's individual situation, the "cost-basis" value may be lower than the market value of Northern Trust stock at the time it is sold.

As an example, if your Northern Trust stock was worth $1,000 when purchased in your TIP account but is worth $1,200 when you receive it as part of a qualified lump sum distribution after age 59½, you will be required to pay income tax only on the $1,000 cost-basis of the stock at the time it is distributed, and will not have to pay tax on the $200 increase in value until you later sell the stock.

Hardship withdrawals. If you are not yet age 59½, the only time you can withdraw before-tax contributions is when you have a "financial hardship", as defined by the Internal Revenue Service (IRS). Under IRS rules, you are eligible for a hardship withdrawal if you have an immediate and substantial financial need to meet eligible expenses and have no other financial resources to pay for them. All other sources of income must be exhausted, including amounts available for regular and age 59½ withdrawals from TIP prior to being able to request a hardship. Hardship withdrawals are limited to one per quarter. Eligible hardship expenses are defined as:

1. the purchase of a participant's primary residence (not mortgage payments);
2. certain college tuition and associated room and board expenses for the next year for you, your spouse or dependent child(ren);
3. medical expenses for you, your spouse or dependent child(ren) not reimbursed;
4. an immediate family member's funeral expenses, and
5. payments to prevent the foreclosure on, or eviction from, your primary residence.

Here are the monies in your TIP account that may be available to you in the event of hardship withdrawal.

<table>
<tr><th colspan="2">Hardship Withdrawal Disbursement Method*</th></tr>
<tr><td>Account Order
After-tax
Rollover
ESOP Diversification (prior to 1/1/2005)
Company Matching Contribution
(vested portion)
Company Profit Sharing
(vested portion)
Acquired Company Prior Plan
(vested portion)
Before-tax**</td>
<td>Fund Depletion Order
• Northern Trust Stable Asset Fund
• Northern Trust Inflation-Protected Securities Index Fund
• Northern Trust Bond Index Fund
• Wells Fargo Advantage Core Bond Fund

• PIMCO Foreign Bond Fund
• PIMCO All Asset Fund
• Northern Trust Focus Income Fund
• Northern Trust Focus 2010 Fund
• Northern Trust Focus 2015 Fund
• Northern Trust Focus 2020 Fund
• Northern Trust Focus 2025 Fund
• Northern Trust Focus 2030 Fund
• Northern Trust Focus 2035 Fund
• Northern Trust Focus 2040 Fund
• Northern Trust Focus 2045 Fund
• Northern Trust Focus 2050 Fund
• Northern Trust Focus 2055 Fund
• Northern Trust Large Cap Equity Index Fund
• Victory Diversified Stock Fund
• Northern Trust Mid Cap Equity Index Fund
• Hartford Mid Cap HLS Fund
• Northern Trust International Equity Index Fund
• MFS Institutional International Equity Fund
• Aberdeen Emerging Markets Institutional Fund
• Northern Trust Small Cap Equity Index Fund
• Jennison Small Cap Equity Fund
• Northern Trust Stock Fund***</td></tr>
<tr><td colspan="2">* Please note that amounts attributable to your Former ESOP Fund account (and earnings on those amounts) are not available for hardship withdrawals, even if you have transferred those amounts into another investment fund. (See Information You Should Know About the Former ESOP Fund, “Diversification of Former ESOP Fund”).
** Except for earnings after 12/31/1988.
***Amounts in the Northern Trust Stock Fund are not available during the “Special Deadlines at Quarter End” restriction periods.</td></tr>
</table>

Keep in mind that in addition to ordinary income tax, the 10% excise tax may apply to your hardship withdrawal.

Requesting and substantiating a hardship withdrawal. Access *Your Benefits Resources*™ to request a Hardship Withdrawal. A Form will be sent electronically to your Secured Mailbox via *Your Benefits Resources*™ or by U.S. Mail, based on your mail preference. You must complete the form and submit it, along with the appropriate documentation to *Your Benefits Resources*™ by the required date included on the form or provided to you. (*See Other Information You Should Know," Handling Your Requests".)*

If you have a hardship withdrawal amount available and have used up all other sources of available withdrawal, you will be required to prove:

1. you have a financial hardship (evidence such as medical bills, tuition bills, funeral bills, or housing contracts will be accepted.), and
2. a TIP withdrawal is the only way you can meet your Financial Hardship need by signing a statement indicating that you have no other way to reasonably meet your financial hardship need.

How is a withdrawal request approved? *Your Benefits Resources*™ will review all of the documents you submit. Your request will be reviewed within 2-3 business days of receiving your signed form and supporting documentation. A determination will then be made as to whether or not your withdrawal request meets IRS criteria for approval. Once reviewed, you will receive a notification of the status of your hardship electronically to your Secured Mailbox via Your Benefits Resources™ or by U.S. Mail, based on your mail preference. Requests for anything over the amount you need to meet your immediate financial obligation will not be approved. Hardship requests are limited to one per quarter. Unsubstantiated hardship withdrawal requests will be denied.

Withdrawals of after-tax money. Effective with contributions on and after January 1, 2002, any employee after-tax contributions or corresponding Company match and Profit Sharing contributions will not be eligible for withdrawal until you have participated in TIP for five years.

Under current tax laws, when you withdraw any after-tax contributions made after January 1, 1987, you must also withdraw a portion of the investment earnings on your after-tax contributions. Excise taxes and ordinary income tax may apply to the taxable portion of a withdrawal.

Withdrawals from an after-tax account will be made in the following order:

1. pre-1987 after-tax contributions
2. post-1986 after-tax contributions, in proportion (pro rata basis) to the taxable earnings in your after-tax account

Example. We will illustrate this with an example which is meant to show two things: the order in which after-tax withdrawals are made and how the taxable portion of the withdrawal is figured. Let's assume an after-tax TIP account is made up of

▪ pre-1987 after-tax contributions	$1,000
▪ post-1986 after-tax contributions	$2,000
▪ total after-tax earnings	$ 500

If this employee requested a $2,000 withdrawal, the money would come first from the pre-1987 after-tax contributions, which were $1,000. This $1,000 portion of the withdrawal is non-taxable.

The second $1,000 would be withdrawn from the post-1986 after-tax contributions and after-tax earnings. To determine how much of this $1,000 withdrawal comes from earnings and is therefore taxable, the after-tax earnings ($500) would be divided by $2,500, which is the total of post-1986 after-tax contributions plus all after-tax earnings.

The resulting percentage will determine the portion of the withdrawal that comes from earnings and is taxable as shown below:

$$\frac{\$\ 500}{\$2{,}500} = 20\%$$

$$\$\ 1{,}000 \times 20\% = \$200 \text{ taxable}$$

This employee would therefore pay taxes only on the $200 portion of the withdrawal (calculated at this individual's tax rate, plus any excise tax that may apply). The withdrawal would come out of the after-tax account as follows:

How A $2,000 After-tax Withdrawal Is Made

	After-tax Account	*Withdrawal*	*Taxable*
1. Pre-1987 after-tax contributions	$1,000	$1,000	No
2. Post-1986 after-tax contributions	$2,000	$ 800	No
3. Total after-tax earnings	$ 500	$ 200	Yes*
* Excise taxes may also apply.			

When you take an in-service withdrawal you will have some tax decisions to make. (*See Other Information You Should Know, "Distribution Options…And Their Tax Consequences"*.)

FINAL DISTRIBUTION OF YOUR TIP ACCOUNT

TIP is designed to provide you with a source of retirement income. That is why the full value of your TIP account is normally paid at retirement. Distributions may also be made if you become permanently disabled, die, or leave Northern Trust before you retire. If you die while actively employed or if you die after you have retired or terminated employment but have not yet taken your TIP distribution, the full value of your TIP account is payable to your beneficiary (or beneficiaries, if more than one, and will be split among your beneficiaries in equal parts unless you designate otherwise. If two beneficiaries are identified and one beneficiary predeceases you, one hundred percent will be payable to the remaining beneficiary). (*See "Beneficiary Designation"*).

How are distributions made? To request a distribution, access Your Benefits Resources™ either online or contact them by phone at 800-807-0302. You can request a distribution on the day you receive your final pay check, or later. A final distribution of your TIP account is generally made in one cash payment. If you have money invested in the Northern Trust Stock Fund or the Former ESOP Fund, you may request that it be paid in shares of Northern Trust stock instead of cash (subject to the Special Deadlines at Quarter End" restrictions). A distribution in the form of a check will be mailed within seven to ten business days. A distribution of your Northern Trust stock holdings in shares will be mailed within three to five business days.

Leaving your savings in the Plan. If your TIP balance at the time of your first opportunity for a final distribution is over $1,000, you can leave your savings in the plan until the earlier of reaching age 65 or your death. No loans or withdrawals are permitted. However, you can continue to make transfers among the different investment options subject to the same trading restrictions on the funds including the Northern Trust Stock Fund and Former ESOP Fund restrictions that apply to employees. (See "Fund Trading Restrictions" and Special Deadlines at Quarter End).

If you work past retirement. If you work past normal retirement (generally age 65), you may defer your complete TIP distribution until you actually retire, but no later than February 28 of the year following your retirement and assuming your account balance is greater than $1,000.

OTHER INFORMATION TO KNOW ABOUT TIP

Your Benefits Resources™ provides convenient access to information about your balances in TIP, and allows you to make changes to your TIP account. Your participation in TIP starts with your enrollment, but it does not end there. Since TIP offers so many opportunities for making changes to your elections, it is likely that you will access *Your Benefits Resources™* frequently throughout your participation.

Access Your Benefits Resources™

Your Benefits Resources™ is your best source for detailed personalized information about your TIP account. You can enroll, complete transactions, make account changes, and get details about how the plan works, including

- process your contribution rate changes, loans, withdrawals, investment choices and transfers in TIP on a daily basis (*subject to "Special Deadlines at Quarter End" restrictions and "Fund Trading Restrictions"*).

- monitor your investing performance and elect to automatically rebalance your TIP account annually
- request an account statement on demand at anytime
- automatically implement advice from Aon Hewitt Financial Advisors, LLC to your TIP account

Online Access

Access to *Your Benefits Resources*™ is available every day. You can access your account information either at work or at home.

At work: *Your Benefits Resources*™ is available online at My Place, Northern Trust's HR site on the intranet. Click on My Place > My Retirement > Access Your Benefits Resources.

At home: *Your Benefits Resources*™ is available through the internet at http://www.ntrs.com/myplace.

Your current sign on to My Place allows you to access all benefits information with the same user id and password that you use to sign on to the LAN.

Locked Out or Forgot Your LAN Password? Password Management is a self-service login tool that allows you to reset your password directly online. First restart your PC and from the initial login screen, enter “help” as your user name and “help4me” as your password.

Telephone Access. The *Your Benefits Resources*™ telephone number is +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302. For security reasons you access your account by telephone by using a password. The telephone password is separate and different from the online user id and password for current employees.

Forgot Your Telephone Password?

1. Call the HR Service Center at +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302.
2. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources*™ to speak with a Representative. Enter the last 4-digits of your Social Security Number.
3. When prompted for your password, wait for instructions on how to receive a new password.
4. If you do not have a telephone password and are calling *Your Benefits Resources*™ for the first time, you will need to provide your Social Security number, date of birth and home zip code to establish a password. This password will give you access to your retirement accounts through the automated telephone system only. When

visiting *Your Benefits Resources™* online, you will access all your benefits information with your My Place password, directly through My Place.

For technical assistance when accessing Your Benefits Resources™ from work. Chicago's Partner Help Desk provides technical support for Your Benefits Resources™ Monday through Friday, 6:00 a.m. to 12 midnight, CT.

- PFS Partners — call 312-444-4737
- All other Partners — call 312-444-4357

For technical assistance when accessing Your Benefits Resources™ from home. If you cannot access any Internet-based service from home, contact your Internet service provider to see if they are having difficulties. If the only Internet application having problems is My Place, note the exact error message you received, the steps you took leading to the error message and call the Partner Help Desk for assistance during business hours Monday through Friday 6:00 a.m. to 12 midnight Central time.

For questions regarding your TIP account. Call the HR Service Center at +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302 between 8 a.m. and 5 p.m., Central time, Monday through Friday. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources™* to speak with a Representative.

REQUESTING ACCOUNT STATEMENTS

Your Benefits Resources™ offers you two convenient ways to obtain information about your account online. You can

- view and/or print an online statement of your account, or
- request a Quarter-to-Date paper statement that will be mailed to your home.

You can view the online account statement for any previous time period, beginning as far back as 25 months. The Quarter-to-Date paper statement will reflect quarter-to-date information only.

To review your account statement, access *Your Benefits Resources™* online through My Place. Click on My Place > My Retirement > Access Your Benefits Resources and follow these simple steps:

Online Account Statement

1. Sign-on to *Your Benefits Resources™* (as described above).
2. From the Home page, select **Print Account Overview** from the Savings and Retirement menu.
3. Update the Date Range for the opening and closing dates of your account balance that you want displayed and click on **Redisplay**.
4. To print your online statement, click on Print in the upper right hand corner of the screen.

Quarter-to-Date Statements

1. Sign-on to *Your Benefits Resources™* (as described above)
2. From the Home page, select **Forms and Materials** from the Savings and Retirement menu.
3. Select the option for Prior Quarter On-Demand Statement and click on **Request Materials**.
4. Your Prior Quarter On-Demand Statement will be mailed to your home and received in approximately one week.

Deadlines. The following schedule shows which activities are requested through *Your Benefits Resources™* and will note which activity requires a form as well as the cut-off times or dates that apply to each. The schedule does not include "Special Deadlines at Quarter End," or the two per quarter, seven days in-between fund transfer restrictions, both of which you should consider depending upon the timing of your requests.

Your Benefits Resources™	**Requests Made**	**Processed/Effective**
▪ Enrollment ▪ Contribution Rate Change	3 business days following payday	Next payday
▪ Future Investment Savings	Close of business day before payday	On that payday
▪ Regular withdrawal ▪ Loan request ▪ Hardship withdrawal	Before 4 p.m. * ET on any business day	Check received within 5 to 7 business days
▪ Investment fund balance transfer ▪ Rollover deposit	Before 4 p.m. * ET on any business day	Processed that business day
▪ Termination payout	Before 4 p.m. * ET on any business day	Processed that business day
**Subject to quarter-end restrictions or Stock Market close, if earlier.*		

My Place/My Retirement	**Requests Made**	**Processed/Effective**
▪ Beneficiary Enrollment	3 business days following payday	Next payday

My Place/My Retirement	**Requests Made**	**Processed/Effective**
▪ Add Beneficiaries ▪ Change Beneficiary Allocations	Any business day	Immediately

Special deadlines at quarter-end. Due to federal securities law concerns, Northern Trust has a policy which restricts certain participant activities for a period immediately before and after the end of each calendar quarter. Therefore, keep in mind that the deadline is five business days before the end of the quarter end if you wish to request any activity in your TIP account that would:

- change your contribution rate (including first time enrollments), only if the change affects or involves the Northern Trust Stock Fund;
- change your future investment elections, only if the change affects or involves the Northern Trust Stock Fund; or
- transfer money into or out of the Northern Trust Stock Fund or out of the Former ESOP Fund, or if you are in the process of a final distribution.

In addition, loans and in-service withdrawals requested during the restriction period will be limited to amounts that are not invested in the Northern Trust Stock Fund or the Former ESOP Fund. Further, you cannot change any elections to receive Northern Trust stock dividends in cash or to reinvest dividends in Northern Trust stock during the restriction period.

The above activities can be resumed the second business day after Northern Trust's earnings are announced following the quarter-end. You will see or hear applicable restriction reminders when you contact *Your Benefits Resources*™.

YOUR RIGHTS AS A NORTHERN SHAREHOLDER

Voting your shares. If you have account balances in the Northern Trust Stock Fund and/or the Former ESOP Fund, you are an owner of Northern Trust stock. That means you are entitled to the same rights as any other shareholder, including receiving cash dividends and being able to vote your shares in those funds.

When issues come before shareholders for a vote, you will receive proxy information explaining the matters under consideration, along with a proxy card. The proxy card is what you use to indicate your vote. You may also vote electronically or by telephone if those alternatives are available. The Trustee must follow your written, electronic or telephonic instructions in voting the shares credited to your Northern Trust Stock Fund and Former ESOP Fund accounts, subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). In addition, although it has the power to vote otherwise, the Trustee typically votes shares in participants' accounts for which it receives no instructions (and any unallocated shares) in the same proportion as the shares voted by participants. Under ERISA, a participant is considered a "named fiduciary" to the extent of his or her authority to vote, tender or exchange Northern Trust stock allocated to his or her accounts and with respect to his or her proportionate share of stock for which the Trustee receives no instructions (and any unallocated shares).

Tender offers. You also have the right to confidentially tell the Trustee, in writing, electronically or by telephone, how to respond to a tender or exchange offer for stock in your Northern Trust Stock Fund and/or Former ESOP Fund accounts. (In general, tender or exchange offers are stock transactions that relate to acquisitions.) Except as otherwise provided in accordance with ERISA, the Trustee will not tender shares in participants' accounts for which it receives no instructions (or any unallocated shares).

LEAVES OF ABSENCE

Amounts you receive in lieu of your base salary during absences due to Short-term Disability (STD) qualify as "pay" for TIP purposes. Long-term Disability (LTD) payments are not TIP eligible, i.e., you cannot contribute to TIP or receive the Company's contributions for LTD pay.

Once you have been disabled for 12 months your TIP options for a final distribution will automatically be presented to you. Special rules for earlier distribution apply for individuals who are terminally ill. If you wish to inquire about a TIP distribution option prior to reaching 12 months of disability, call the HR Service Center at +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302 between 8 a.m. and 5 p.m., Central time, Monday through Friday. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources*™ to speak with a Representative.
If you take an approved leave of absence (paid or unpaid), your absence period (up to 12 consecutive months) will be considered service for TIP vesting purposes.

QUALIFIED DOMESTIC RELATIONS ORDER

A Qualified Domestic Relations Order (QDRO) is a court order that meets certain requirements under the Internal Revenue Code and provides for child support, alimony or marital property rights to a spouse, former spouse, child or other dependent, according to a state domestic relations law. If a QDRO affects your TIP account, benefits may be payable to someone other than you or your designated beneficiary. The Plan has documented procedures which cover the process of handling QDROs. Participants and beneficiaries can obtain (without charge) a copy of these procedures by dialing +1 312-557-7593; or calling toll free from within the U.S.: 800-807-0302. Press 2 if you are a current or former Northern Trust Partner, then press 1 for information about TIP, Pension or Deferred Compensation from *Your Benefits Resources*™ and to speak with a Representative.

A $550 QDRO processing fee may be charged for the review of a Domestic Relations Order (DRO) that relates to TIP. This fee will be charged only if the DRO is determined to be a QDRO. Unless the QDRO specifies how the fee should be divided between the Participant and Alternate Payee, the following will apply:

- If the Participant's account is segregated into two accounts (i.e., one for the Participant and one for the Alternate Payee), the QDRO processing fee will be divided evenly between and charged against the two accounts (i.e., each account will be charged $275).
- If the Alternate Payee's benefit under the QDRO is equal to 100% of the Participant's TIP benefit (i.e., so that the Alternate Payee receives the Participant's entire TIP benefit and the Participant no longer has a balance in his or her account), the full $550 QDRO processing fee will be charged against the Alternate Payee's account.

If the DRO is determined not to be a QDRO, no QDRO processing fee will be charged.

REEMPLOYMENT

If your employment ends and you are later reemployed by Northern Trust, upon your return, your past service will be counted for eligibility to participate in TIP and vesting in the Company's matching contributions. Depending on how long you were gone, your absence period will be counted as follows:

- *Less than one year*. If you leave Northern Trust and are reemployed within a year, your absence period and your prior service will count toward vesting.
- *More than one year*. If your absence period was greater than one year, only your prior service (not your period of absence) will count toward vesting.

If you were eligible for TIP (either your contributions only or the Company component also) when you left Northern Trust, you can start participating in the plan in the same capacity upon your return (subject to processing schedules.)

Buy backs. If your break in service was less than five years, you may redeposit the TIP distribution you received when you left Northern Trust. If you redeposit or "buy back" the entire distribution (including any Former ESOP Fund amounts), any Company contributions that were forfeited when you left will be restored to your TIP account. You have up to five years from your date of rehire to buy back the distribution.

A buy back deposit must be made in one cash payment in an amount equal to the total distribution at the time you left the Company. If you buy back your distribution, the amount restored to your TIP account will equal the value of the Company contributions you forfeited when you left. It doesn't matter if you received stock as part of your distribution, or what the stock is worth when you return. What matters is the value of your TIP account when you left.

DISTRIBUTION OPTIONS… AND THEIR TAX CONSEQUENCES

You have up to four main distribution choices available to you in TIP:

- defer distribution (termination distributions only)
- direct rollover
- direct distribution to yourself
- split distribution (a combination of the previous two distribution options)

It is important to understand the tax consequences of your decision. (*In addition to the information noted below, you should also review the Special Tax Notice at the back of this Sourcebook for more information*.)

Defer distribution. For **distributions at termination**, if the market value of your TIP account is greater than $1,000, you can defer taking a distribution until the earlier of the date you reach age 65 or your death. This option defers taxation of your account until distribution occurs. Once you elect to defer, you can later change your mind and elect a distribution of your entire TIP account at any time prior to age 65. When you do decide to take a distribution, the distribution options described below will be available.

Direct rollover. For **in-service withdrawals**[7] or **distributions at termination**, you can request a direct rollover to an Individual Retirement Account (IRA) or to another employer's qualified retirement plan.

For distributions at termination, if you have shares of Northern Trust stock that you wish to retain as stock, you can request an "in-kind" distribution which will deliver shares as part of your direct rollover. Rolling the shares into an IRA or other plan means they will be taxed as ordinary income when they are eventually distributed from that IRA or other plan. This option means you will not be eligible for the special tax treatment on share (i.e., in-kind) distributions of Company stock, as discussed below, under Direct distribution.

When you elect a direct rollover, no taxes will be withheld and you will defer taxation until you take a distribution from the IRA or other plan, at which time ordinary income tax rates will apply to the amount distributed (i.e., value of cash and/or value of shares at time of distribution) and a 10% excise tax may apply.

Direct distribution. For **in-service withdrawals** or **distributions at termination,** you can elect to have your distribution made payable to you, in which case the distribution (excluding your after-tax contributions) is considered taxable income. In-service Hardship Withdrawals must always be taken as a direct distribution. The cash portion of a direct distribution is taxed at ordinary income tax rates and a 10% excise tax may apply. Under a direct distribution, Northern Trust is legally required to withhold 20% of the taxable portion of your distribution to apply towards your federal tax obligation on the distribution. (Depending upon your income level and tax bracket, your *actual* tax obligation on your distribution may be more or less than the 20% that will be withheld.) The 20% withholding will be taken from any cash portion of the withdrawal/distribution.

With this option, you still have 60 days to rollover your entire distribution (excluding hardship withdrawals which cannot be rolled over) to an IRA or other qualified plan. However, since 20% withholding is required unless you elect a direct rollover (see above), you would need to use other funds to replace the withheld amount. The portion of your direct distribution that is rolled over within this 60-day period will not be taxed until you take a distribution from the IRA or other plan. (*See the Special Tax Notice for more information*.)

For distributions at termination, if you own Northern Trust shares**,** you can request an "in-kind" direct distribution by having stock distributed directly to you in shares and registered in your name. In this case you would only be taxed on the cost basis of the shares at your ordinary income tax rate and a 10% excise tax may apply. You would then

[7] Hardship withdrawals are not eligible for rollover.

defer paying tax on the "net unrealized appreciation" of the stock until you sell it. (Net unrealized appreciation generally is the increase in value of the stock while it was held by the Plan.) (*See the Special Tax Notice for more information on whether you are eligible for this special rule*.) In addition, when you later sell the stock, the net unrealized appreciation (together with any appreciation that occurs between the date of the distribution and the date you ultimately sell the stock) will be treated as capital gain. Whether all of the gains will be treated as long-term capital gain depends on how long you hold the stock following distribution. Consult your tax advisor for more information.

As with a direct distribution of cash, you still have 60 days to roll over an in-kind, direct distribution of company stock. You can do this either by contributing the shares themselves to an IRA or other qualified plan, or by selling the shares and contributing the proceeds. In either case, the amount that is rolled over within 60 days will not be subject to federal taxes until you take a distribution from the IRA or other qualified plan, at which point that part of the distribution which is not attributable to your after-tax contributions will be taxed as ordinary income. However, as with a direct rollover of a stock distribution in shares, a 60-day rollover of company stock means that you will not be eligible for the special tax treatment on in-kind distributions of company stock, as discussed in the preceding paragraph.

Before you decide whether to take shares of Northern Trust stock as part of your distribution, carefully evaluate your personal tax situation relative to how the shares will be taxed, both at the time of distribution and when you eventually sell the stock.

Split distribution. You can split your distribution in order to have some portion directly rolled over (*see Direct rollover section above*) and the remaining portion paid to you with the 20% tax withholding (*see Direct distribution section above*).

In connection with your decision, there are two things you should know:

- After-tax contributions are not subject to any taxes or penalties upon distribution and can be rolled over.
- If you have a loan outstanding at termination you may want to contact a TIP Representative to discuss loan prepayment in order to avoid the loan balance becoming a taxable distribution. (*See Access to Your Savings: Loans and Withdrawals, "Repaying Your Loan".*)

Partial distribution option for retirees. If you retire from Northern Trust after reaching early retirement age but prior to normal retirement age (as defined in the Northern Trust Pension Plan, generally age 65) you also have the option to elect partial distribution(s) from your TIP account, up to one partial distribution per calendar month, prior to taking a final distribution. Amounts invested in the Northern Trust Stock Fund and/or the Former ESOP Fund may be distributed to you in cash or shares. Once you reach normal retirement age, generally at age 65, your remaining account balance will automatically be distributed to you.

Important note for retirees under age 59½ with Northern Trust Stock. Special tax treatment may apply to shares of employer stock distributed as shares to an individual (not an IRA) as part of a lump sum distribution after termination, including retirement, or another qualified lump sum event such as death, disability or attainment of age 59½. Under IRS rules, a lump sum distribution means a distribution of the entire balance of a participant's TIP account in one taxable year. In general, if you retire and take a partial distribution as described above, you will not be eligible for special tax treatment of the net unrealized appreciation (NUA) on the initial partial distribution, even if that distribution includes shares of Northern Trust stock. You will also not be eligible for NUA treatment on any subsequent distribution, even if the subsequent distribution is the remainder of the entire account balance and includes shares of Northern Trust stock. There is a limited exception to this general rule for employees retiring after age 55 but before age 59½. If such an individual takes one or more partial distributions before age 59½, and then after attaining age 59 ½ takes a distribution of their entire remaining account balance (provided no partial distributions after reaching age 59 ½ have been taken), any shares of Northern Trust stock distributed in that final post-age 59 ½ distribution may be eligible for NUA treatment. A retiree may also be eligible for NUA treatment if the initial partial distribution and a distribution of the remainder of the account are both taken in the same taxable year. For further information about the special tax treatment on the NUA of Northern Trust stock, refer to the section, Access to your savings: Loans and Withdrawals, Age 59 ½ withdrawals.

Ten-year forward averaging. This special tax treatment is available only if you were at least age 50 before January 1, 1986 and you have at least five years of TIP participation. In general, ten-year forward averaging can prevent payment of your account from forcing you into a higher tax bracket. You can take advantage of this tax treatment only once. (Five-year forward averaging was repealed effective January 1, 2000).

Capital gains treatment. In addition to the capital gains treatment available for some stock distributions (as described above), some participants are eligible to apply the long-term capital gains rate to a portion of their full distribution (cash and shares) which is attributable to pre-1974 service. It's generally available only for distributions received before 1992 (subject to a special phase-out rule). However, if you were at least age 50 before January 1, 1986, you can get it at any time. If you elect capital gains treatment on pre-1974 amounts, the rest of your payout may be taxed as ordinary income under the ten-year averaging rules. To qualify for this special capital gains treatment you must have at least five years of participation in TIP.

Excise tax. Current tax law imposes a 10% penalty on the taxable portion of any distribution or withdrawal made before age 59½. The taxable portion includes all earnings and all contributions (both yours and the Company's) except any after-tax dollars you contributed to TIP.

The excise tax *does not* apply when:

- you retire under the Early Retirement provisions (minimum age 55 and 15 years of service) of The Northern Trust Company Pension Plan;
- a termination distribution is made to you during or after the year in which you reach age 55;

- you are 59½ or older;
- the distribution is made to your beneficiary in the event of your death;
- you become totally and permanently disabled and you qualify for Social Security disability benefits;
- the distribution is rolled over to another tax-favored plan, such as a rollover IRA or other qualified plan either as a direct rollover or within 60 days after you receive the distribution;
- the withdrawal is used for tax deductible medical expenses, those expenses that are greater than 7.5% of your adjusted gross income; or
- payment is made to an alternate payee, as mandated by a Qualified Domestic Relations Order (QDRO).

Tax laws are complicated and subject to change. Individual tax treatment can vary greatly from employee to employee. The rules described above are complex and contain many conditions and exceptions that are not included in this summary or the Special Tax Notice Regarding Plan Payments at the back of this Sourcebook. Therefore, you should consult a professional tax counselor or financial advisor before making a withdrawal or receiving a distribution.

PLAN FACTS

The previous sections of the Sourcebook describe the most important features of the Thrift-Incentive Plan (TIP). The plan, however, is governed by a legal, very formal, document. We tell you this in case there is ever any difference between what the plan document says and the way we have described the plan here, because if that happens, it is the plan document that is followed in determining your benefits.

There are also a number of other facts you should know about the administration of our benefits. While we think you should be aware of all of this information, the Company is actually required by law to present it to you, in some cases in the words and format you will find here.

Future of the Plan. Northern Trust reserves the right to amend, modify, suspend, or even terminate the plan at any time. If the plan is terminated, you will automatically become fully vested in the benefits you had earned as of the termination date.

404(c). TIP is designed to be a 404(c) plan under the Employee Retirement Income Security Act of 1974, as amended (also known as "ERISA"). To comply with Section 404(c) of ERISA, the Plan makes available to you a range of investment choices, the flexibility to change your investments, and information about your investment options. The selection and timing of your investment choices are solely your responsibility. Past performance is not a guarantee of future results. Investment return and principal value of an investment will fluctuate, so that investments, when redeemed, may be worth more or less than their original costs. Investment returns are not guaranteed by The Northern Trust Company and neither the Company nor any plan fiduciary is liable for any losses that might result from your investment choices. The investment options included in the Plan are not insured or guaranteed by any bank, the U.S. Government, the Federal Deposit Insurance Corporation or any other agency. The Northern Trust Company Employee Benefit Administrative Committee (EBAC) has designated Hewitt Associates, L.L.C. to accept and process your investment instructions. This is done by accessing *Your Benefits Resources*™.

Hewitt Associates (The Northern Trust –BC, 2300 Discovery Drive, Orlando, FL 32826, Telephone Number +1 312-557-7593; or call toll free from within the U.S.: 800-807-0302) is also responsible for providing, upon your request, the following information concerning each of the TIP investment funds:

- a description of any annual operating expenses, such as investment management or administrative fees, which reduce your rate of return on the fund and the aggregate amount of those expenses as a percentage of the fund's average net assets;
- copies of any prospectuses, financial statements and reports and any other materials relating to the fund, to the extent that information is provided by the fund to TIP;
- a list of the assets comprising the fund's portfolio which are considered "plan assets" under ERISA and the value of each asset or the proportion of the fund which that asset comprises; and
- information concerning the value of shares or units in the fund, as well as the past and current investment performance of the fund, net of expenses.

Northern Trust has also established special procedures to protect the confidentiality of information relating to the purchase, holding and sale of company stock in the Northern Trust Stock Fund and Former ESOP Fund as well as information associated with participants' exercise of voting, tender and similar rights for any company stock in your TIP accounts.

As part of those procedures, investment activity involving each Stock Fund is generally handled on a consolidated basis so that an individual participant's transactions are not identifiable. In addition, only certain designated positions at Hewitt Associates have access to information concerning individual participants' Stock Fund transactions. Any person who serves in one of these positions must sign an agreement to protect the confidentiality of this information. Periodic reviews and audits of these procedures also help safeguard this information.

You can generally vote on any company stock held in your TIP account by phone, through the Internet or by mail. Broadridge Financial Solutions, which is not related to Northern Trust, is the transfer agent responsible for collecting and tabulating all Northern Trust shareowner votes. If you vote your TIP company shares by phone or over the Internet, security is provided by the use of a standard number provided by Broadridge which identifies Northern Trust and an individual control number assigned only to you by Broadridge. If you vote by mail, you return your executed proxy card using a self-addressed, postage paid envelope addressed to Broadridge. All votes are tabulated by

Broadridge and no individual vote is seen by anyone at Northern Trust. Voted proxy cards are held by Broadridge and destroyed after a specified time.

The Employee Benefit Administrative Committee (EBAC) is responsible for monitoring compliance with all of these confidentiality procedures.

Tax laws. The plan is governed by the rulings of the Internal Revenue Service (IRS) and current tax laws. If there are any changes in the current laws or in the IRS rulings, the plan will be amended to stay in compliance.

PBGC insurance. The Pension Benefit Guaranty Corporation (PBGC) guarantees benefits under defined benefit plans, such as Northern Trust's Pension Plan. TIP is what's known as a defined contribution plan, and, as such, is not insured by PBGC.

Ownership of benefits. The benefits described here are exclusively for Northern Trust plan participants and their beneficiaries. You cannot assign, transfer, or sell your benefits for any reason except as provided by law, for example, in the event a Qualified Domestic Relations Order affects your TIP account. (See "Qualified Domestic Relations Order (QDRO)").

How benefits can be forfeited or delayed? TIP is designed to provide you with a source of retirement income, but there are certain situations under which benefits can be forfeited or delayed. Most of these circumstances are spelled out in this Sourcebook, but you can also forfeit or delay payment of your benefit if

- you (or your beneficiary) do not provide your payment election;
- you do not furnish information requested to complete or verify your application for benefits; or
- your current address is not on file with the HR Service Center.

YOUR RIGHTS UNDER ERISA

Northern Trust has prepared this Sourcebook to help you understand how your benefit plans work, the benefits they provide, and the steps you must follow to take full advantage of them. The Employee Retirement Income Security Act of 1974 (ERISA) also provides you with certain rights regarding your Northern Trust benefits.

Receive Information about Your Plan and Benefits

As a participant in the plan described in this booklet, you are entitled to certain rights and protections under ERISA, which provide that all plan participants shall be entitled to

- examine, without charge, at the plan administrator's office, documents governing the plan, including insurance contracts and a copy of the latest annual report (Form 5500 series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;

- obtain upon written request to the plan administrator copies of all documents governing the operations of the plan. The plan administrator may make a reasonable charge for the copies;
- receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report; and
- obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (generally, age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a benefit, the statement must tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve months. The plan must provide the statement free of charge.

Prudent actions by plan fiduciaries. In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce your rights. If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, also within certain time schedules. Under ERISA, there are steps you can take to enforce these rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order you may file suit in federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about your plan, you should contact the Benefits Division of Human Resources. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration.

Claims procedures. If you believe you are entitled to benefits that were not provided, you (or your authorized representative) may file a written claim for benefits with the Employee Benefit Administrative Committee (the "Committee") at the address shown below. Within 90 days after receipt of your claim (or within 180 days if special circumstances apply and the Committee notifies you in writing of such extension), the Benefits Division will provide you with a written or electronic notice of the Committee's determination. If the Committee makes an adverse benefit determination regarding the claim, the notice will explain

- the specific reasons for the adverse benefit determination;
- specific reference to pertinent plan provisions on which the adverse benefit determination is based;
- a description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary; and
- a description of the plan's review procedures and the time limits applicable to those procedures, including a statement of your right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

If you are dissatisfied with the initial determination of the Committee, you or your authorized representative may make a written appeal to the Committee requesting that the claim be reconsidered. Your appeal must be filed within 60 days of the date you receive the notice of the adverse benefit determination. In connection with your appeal, you (or your authorized representative) may review any pertinent plan documents and submit comments, documents, records or other information relating to your claim in writing.

Upon your request (and free of charge) the Committee will provide you reasonable access to and copies of all documents, records or other information relevant to your claim. The Committee will then make a full and fair review of the adverse benefit determination regarding your claim according to the provisions of the plan, no later than 60 days after receipt of your request for review (120 days if special circumstances apply and the Committee notifies you in writing of such extension).

The Committee will provide you or your authorized representative with written or electronic notification of the benefit determination on review. If the Committee makes an adverse benefit determination on review, the notice will include

- the specific reasons for the adverse benefit determination;
- specific reference to pertinent plan provisions on which the adverse benefit determination is based;
- a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim; and
- a statement of your right to bring a civil action under section 502(a) of ERISA.

In each instance, the Committee's decision on appeal will be final and binding on all parties. **Please note that the Committee has full discretion and authority to construe and interpret all provisions of this Sourcebook and the Plan.**

Your request for a complete distribution of your TIP account is treated as a claim for benefits under TIP. Receipt (whether by check, shares or direct rollover) of a distribution that is intended to be a complete distribution of your TIP account is considered an initial benefit determination for purposes of the above claims procedures. If you do not agree with the amount (or any other aspect) of this distribution, you must follow the procedures indicated above for appealing an initial benefit determination.

You may not bring a legal or equitable action in any court under TIP until the claim and appeal rights described in this Sourcebook have been exercised and exhausted, and the eligibility or benefits requested in the appeal have been denied, in whole or part. In addition, if you do not raise a particular issue or issues related to your claim for eligibility, benefits or any other matter during the claim and appeal process, you will not be permitted to raise that issue or issues in any action that you may bring in court. You may not bring any action at law or in equity under TIP later than one year from the later of: (1) your termination of employment with Northern or (2) the date you or your beneficiary, as applicable, receives a distribution which is intended to be a complete distribution of your TIP benefit. Any legal or equitable action in connection with TIP must be brought in federal district court in the Northern District of Illinois.

Plan Facts

Official Plan Name	The Northern Trust Company Thrift-Incentive Plan
Plan Type	Defined contribution
Employer/Plan Sponsor	The Northern Trust Company 50 South LaSalle Street Chicago, Illinois 60603 (312) 630-6000 A complete list of participating employers may be obtained from the Plan Administrator.
Employer Identification Number (EIN)	36-1561860
Plan Number	002
Plan Administrator	The Northern Trust Company Employee Benefit Administrative Committee, M-8 50 South LaSalle Street Chicago, Illinois 60603 (312) 630-6000
Plan Year	January 1 - December 31
Funding Medium	The Northern Trust Company Master Retirement Savings Trust, effective as of December 21, 1994, as amended
Trustee	The Northern Trust Company 50 South LaSalle Street Chicago, IL 60603
Source of Contributions	Funded with employee elective and Company contributions
Agent for Service of Legal Process	Dawn Romei, Senior Vice President Human Resources 50 South LaSalle Street, M-8 Chicago, IL 60603 Service of legal process may also be made upon the Trustee or Plan Administrator.

INFORMATION ABOUT THE FORMER ESOP FUND

(Applies ONLY to employees hired before June 1, 2004)

Effective January 1, 2005, Northern Trust merged the Northern Trust Employee Stock Ownership Plan (ESOP) into TIP. ESOP shares are maintained in a separate fund within TIP called the Former ESOP Fund. The last company contribution to the ESOP was made as of December 31, 2004. Following the merger of ESOP into TIP, participants have the opportunity to diversify some or all of their Former ESOP Fund holdings of Northern Trust stock into TIP's other investment funds they choose. The Former ESOP Fund is a "frozen" fund within TIP. Holdings in the Former ESOP Fund can be transferred out, but no new money will be accepted in this fund, either by contribution or transfer.

BENEFICIARY DESIGNATION

With the merger of ESOP into TIP, beneficiary designations under TIP will apply to all account balances within TIP, including the Former ESOP Fund. Any existing ESOP beneficiary designations became void and are no longer recognized.

If you do not make a valid beneficiary designation for TIP, benefits, including your Former ESOP Fund, will be paid after your death to those beneficiaries provided in the TIP plan document. If you are married, the IRS requires that your spouse be named as your beneficiary. The only exception to this is if your spouse signs and files the notarized beneficiary waiver consent form with the HR Service Center.

ESOP HISTORY

Back in 1989, the Northern Trust ESOP was funded by a loan that was used to purchase 1.5 million shares of Northern Trust Corporation common stock for plan participants. These shares of stock were held in an ESOP trust fund.

Under the loan agreement, the ESOP repaid the loan (plus interest) which was made to the trust fund. To repay the loan, Northern Trust made an annual contribution to the trust fund in an amount equal to the principal and interest due on the loan for that year. As the ESOP made the payments, the trust fund released a portion of the total shares and allocated the shares to participants' ESOP accounts. At the end of the loan agreement, the loan was fully repaid and all stock in the trust fund had been credited to participants' accounts.

The ESOP design was changed starting with plan year 2002. For the plan year that ended on December 31, 2002, Northern Trust made an annual contribution of 2% of participants' eligible salaries to the ESOP and purchased shares of Northern Trust stock which were allocated to participants' accounts.

For the plan years ending on December 31, 2003 and 2004, Northern Trust made an annual contribution of 1% of participants' eligible salaries and purchased Northern Trust stock for contributions to participants' accounts. Northern Trust also contributed up to an additional 3% of participants' eligible salaries when corporate performance exceeded an annual corporate earnings goal. Forfeited shares were used to offset the annual contribution made by Northern Trust.

Another factor affecting the number of shares allocated under the ESOP was stock splits. Since the ESOP began in 1989, there have been four stock splits which have correspondingly increased the number of shares participants hold in their ESOP accounts. The stock splits occurred as follows:

- 2 for 1 stock split in May 1990
- 3 for 2 stock split in December 1992
- 2 for 1 stock split in December 1996 and
- 2 for 1 stock split in December 1999

COST BASIS OF FORMER ESOP SHARES

Shares in the Former ESOP Fund will maintain their previous ESOP "cost basis" until liquidated, either when you transfer into other investment options within TIP or if you choose to take a final distribution in cash rather than in shares when you leave Northern Trust. The cost basis is the price-per-share paid by the ESOP for stock. There could also be a tax savings for you when you leave Northern Trust if you maintain your holdings in the Former ESOP Fund and receive a direct distribution in shares at your retirement or employment termination. (*See "Distributions Options…and Their Tax Consequences."*)

DIVERSIFICATION OF FORMER ESOP

The Former ESOP Fund is now maintained in TIP to enable you to share in Northern Trust's success over the long term. For that reason you are generally not allowed to make regular or hardship withdrawals or borrow against your Former ESOP Fund account while you are actively employed by Northern Trust. However, in the year you reach age 59 ½, you become eligible to access your investment in the Former ESOP Fund through age 59 ½ withdrawals. For more information, see the previous section titled *Access to your savings: Loans and Withdrawals*. Regardless of your age, you are eligible to transfer all or part of your holdings from the Former ESOP Fund into any other TIP fund. Keep in mind, once you transfer your shares out of the Former ESOP Fund, you cannot transfer back in nor can you move existing TIP money or direct new TIP contributions into the Former ESOP Fund. Further, amounts transferred out of your Former ESOP Fund account (and earnings on those amounts) remain ineligible for most withdrawals or loans.

However, participants who are at least age 55 with 10 years of plan participation are eligible to withdraw as cash any or all of their Former ESOP Fund balance at any time (*subject to Special Deadlines at Quarter End*). For this purpose, plan participation includes both ESOP participation before the January 1, 2005 merger with TIP and participation in TIP, including the Former ESOP Fund, after the merger.

Glossary

You do not have to be an expert to invest in TIP. Nevertheless, you do want to be familiar with how investment professionals describe what they do. This Glossary can help.

Accrued interest. The amount of interest credited to a bond or other fixed-income security between the last payment and the date the security is sold (or any intermediate date). The buyer usually pays the seller the security's price plus the accrued interest.

Amortization. The process of gradually repaying a debt through installment payments of principal and interest (instead of repaying all at once).

Asset. Anything with commercial value that, when owned, adds to your net worth.

Asset allocation. The mix of investment classes — capital preservation, bonds and stocks — you choose for your portfolio.

Bear market. A period of declining prices in a financial market. Someone who is pessimistic about a market's future prospects is called "bearish."

Blue chip stock. The stock of a company that has a strong history of profits and dividends.

Bond. A formal certificate of debt, usually issued by corporations or governments.

Bond fund. A fund that invests primarily in corporate, municipal and/or U.S. Treasury bonds.

Bond rating. A measure of the quality, safety and potential performance of a bond issue.

Bull market. A period of rising prices in a financial market. Someone who is optimistic about a market's future prospects is called "bullish."

Capital appreciation. An increase in the value of an investment.

Cash/cash equivalent. Investments offering maximum liquidity with little or no risk of decreasing in value. Capital preservation-oriented securities are sometimes referred to as "cash equivalents."

Certificate of Deposit (CD). A short-term debt security with a maturity ranging from several weeks to several years. Interest rates are established by market demand and competition.

Collective fund. A non-registered commingled fund maintained by a bank or trust company in which the assets of qualified retirement plans and governmental benefit plans participate.

Commercial paper. Notes for loans with maturities ranging from two to 270 days, often held by capital preservation funds.

Common stock. Units of equity, or ownership, in a corporation that entitle the holder to certain rights (such as the right to vote for directors and receive any dividends payable).

Compound interest. Interest credited on a regular basis (monthly, annually, etc.) and applied to both the principal and previously-credited interest.

Discount rate. The interest rate charged by Federal Reserve banks on loans to member banks.

Diversification. Investing in multiple investment classes to limit risk.

Dividend. An investor's share of the company's profits.

Dollar cost averaging. A risk reduction technique for investing in equities where the investor buys a fixed dollar amount of securities at regular time intervals, regardless of changing share prices.

Dow Jones Industrial Average. A widely-recognized stock market index consisting of 30 of the largest stocks traded on the New York Stock Exchange.

Effective yield. The yield received on debt over a period of time, taking compounding into account.

Equity. A term indicating ownership; "equities" is another name for stocks.

Equity fund. A fund that invests in equities, more commonly known as stocks, with the objective of long-term growth primarily through capital appreciation.

Emerging markets. Developing countries that have been identified for having potentially superior growth opportunities as they build their industrial and commercial base. For the most part, these countries are in Eastern Europe, Africa, the Middle East, Latin America, the Far East and Asia.

Emerging markets fund. A fund that invests the majority of its assets in the financial markets of a single developing country or a grouping of developing countries. For the most part, these countries are in Eastern Europe, Africa, the Middle East, Latin America, the Far East, and Asia.

Face value. Value that appears on the face of a bond, indicating the amount the issuer will pay to the holder at maturity.

Federal Reserve Board. A seven-member panel appointed by the President to set monetary policy.

Fixed-income investment. A security, such as a bond, that pays a fixed rate of interest.

Future value. What a sum of money will be worth at a future date, taking compound interest into account. For example, the future value of $10,000 10 years from now at 4.5% interest is $15,529.

Global fund. A fund that invests in worldwide securities (including those issued in the United States).

Government paper. Any debt security, such as a Treasury bill, that is either guaranteed or backed by the U.S. government.

Income fund. A fund that invests in securities that are expected to generate income (such as dividends).

Interest. The amount a borrower pays to a lender for the use of the lender's money.

Index. A measure of market performance.

Index fund. A fund comprised of securities that replicates a particular market index with the objective of matching the characteristics and performance of that index. Also may be referred to as passively managed funds.

International fund. A fund that invests in equity securities of companies located outside the United States.

Investment grade. Bonds that are appropriate for purchase by conservative investors because they represent moderate to low risk.

Investment management fees. Fees and expenses associated with the management and administration of an investment fund. These fees and expenses are generally assessed as a percentage of assets invested.

Lifecycle funds. Also referred to as age-based funds or target-date funds, these funds invest in a mix of equity and fixed income assets. The distinguishing feature of a life-cycle fund is that its overall asset allocation automatically adjusts to become more conservative as a participant's expected retirement date approaches.

Liquidity. The ability to convert assets into cash quickly and easily.

Market timing. An investment strategy based on buying and selling securities in anticipation of changes in market conditions. You're "timing the market" when you try to "buy low and sell high."

Maturity date. The date on which a loan, bond or other debt security must be paid.

Money market fund. A fund that invests in relatively safe, liquid investments.

Mutual fund. A means of investing whereby individuals, instead of investing on their own, pool their money and give it to a professional to invest on their behalf. A mutual fund invests the pooled money of its shareholders in various types of investments, buying and selling securities for the fund's shareholders. Mutual funds are not risk free; their values rise and fall along with the securities in the fund. Mutual funds are regulated by the Securities and Exchange Commission.

NASDAQ. The computer system of the National Association of Securities Dealers, used by brokers and dealers to trade over-the-counter securities.

Net asset value (NAV). The market value of one share of a mutual fund, calculated by adding the value of all securities in the fund, subtracting liabilities and dividing by the number of outstanding shares.

New York Stock Exchange. The largest and oldest securities exchange in the United States.

Over-the-counter (OTC). A market in which securities are bought and sold by telephone and computer network, rather than on an exchange.

Par. The face value of a security at the time of issuance.

Portfolio. The set of stocks, bonds and other securities held by an individual or mutual fund.

Present value. The value today of some future dollar amount after it has been discounted for compound interest. For example, at a 4.5% inflation rate, $15,000 in 10 years is worth about $10,000 today.

Price Earnings (P/E) ratio. A popular gauge of an investment's performance, calculated by dividing a stock's price by its earnings per share.

Prime rate. The interest rate major banks charge their most creditworthy borrowers.

Principal. The original value of an investment or debt.

Prospectus. A document outlining the terms of an investment offering.

Proxy. A shareholder's written authorization awarding his/her voting rights to someone else.

Rate of return. For stocks, the annual dividend divided by the purchase price; for bonds, the current yield.

Risk. The possibility of losing value.

Securities. Stocks, bonds and other paper representations of an ownership interest or creditor relationship.

Share. A unit of measurement of ownership of a corporation.

Stock certificate. A document reflecting legal ownership of a certain number of shares in a corporation.

Treasury bills. Government-backed securities issued on a discount basis in denominations of $10,000. Maturities range from three months to one year.

Treasury bonds. Government-backed securities that pay interest every six months. Maturities exceed 7 years.

Treasury Inflation Protected Securities (TIPS). Funds that are intended to provide protection against inflation. The principal of a TIPS investment increases with inflation and decreases with deflation, as measured by the Consumer Price Index.

Treasury notes. Government-backed securities that pay interest every six months. Maturities range from one to seven years.

Yield. The rate at which an investment pays interest or dividends, calculated by dividing the current interest or dividend amount by the purchase price.

Revised January 2015

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice explains how you can continue to defer federal income tax on your retirement savings in The Northern Trust Company Thrift-Incentive Plan (the "Plan") and contains important information you will need before you decide how to receive your Plan benefits.

Before making a distribution election, you should review the Plan's investment provisions as described in this Sourcebook. The Sourcebook describes the investment funds that are currently available for investment of your account balance should you choose to defer your Plan distribution. It also describes the Plan's rules for changing investment funds and trading restrictions that may apply.

Your Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans).

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

General Information About Rollovers

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an Individual Retirement Account or Individual Retirement Annuity (IRA) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the

IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)

The HR Service Center should be able to tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal

or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a Qualified Domestic Relations Order (QDRO)
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for Qualified Domestic Relations Orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks.

Will I owe State income taxes?

This notice does not describe any State or local income tax rules.

<u>Special Rules And Options</u>

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

If your payment includes employer stock that you do not roll over

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If you roll over your payment to a Roth IRA

If you roll over the payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

If you are not a plan participant

<u>Payments after death of the participant</u>. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse.
If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse.
If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a Qualified Domestic Relations Order (QDRO). If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

For More Information

You may wish to consult with the Plan administrator, payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs); IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.