

NORTHERN TRUST CORP
Form DEF 14A
March 01, 2013
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NOTICE & PROXY STATEMENT SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

NORTHERN TRUST CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
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(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
OF NORTHERN TRUST CORPORATION**

Date: Tuesday, April 16, 2013
Time: 10:30 a.m., Chicago Time
Place: Northern Trust Corporation

50 South LaSalle Street

(northwest corner of LaSalle Street and Monroe Street)

Chicago, Illinois 60603

Purposes: The purposes of the annual meeting are to:

- Elect 12 directors to serve on the board of directors until the 2014 annual meeting of stockholders and until their successors shall have been elected and qualified;
- Hold an advisory vote on executive compensation;
- Ratify the appointment of KPMG LLP as the Corporation's independent registered public accounting firm for the 2013 fiscal year;
- Hold a vote on a stockholder proposal, if properly presented at the annual meeting; and
- Transact any other business that may properly come before the annual meeting.

Record Date: You may vote if you are a stockholder of record on February 18, 2013.

Voting: **IMPORTANT PLEASE VOTE PROMPTLY**

It is important that your shares be represented at the annual meeting. We urge you to vote your shares by telephone or through the Internet as described on your proxy card or your Notice Regarding the Availability of Proxy Materials. You also may vote your shares by attending the annual meeting and voting in person or by completing and returning your proxy card.

March 1, 2013

ROSE A. ELLIS

Corporate Secretary

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NORTHERN TRUST CORPORATION

50 South LaSalle Street

Chicago, Illinois 60603

March 1, 2013

PROXY STATEMENT

INTRODUCTION

Our 2013 annual meeting of stockholders will be held on Tuesday, April 16, 2013 at 10:30 a.m., Chicago time, at the office of Northern Trust Corporation (the Corporation or Northern Trust) located at 50 South LaSalle Street (northwest corner of LaSalle Street and Monroe Street) in Chicago, Illinois. We invite you to attend the annual meeting and vote your shares directly.

You do not need to attend the annual meeting to vote your shares. Instead, you may vote your shares by telephone or through the Internet, or you may complete, sign, date, and return your proxy card (a postage-paid envelope is included with your proxy materials if you received a full set of the proxy materials). Instructions for voting by telephone or through the Internet can be found on your proxy card or your notice regarding the availability of proxy materials.

The Corporation's board of directors is soliciting your proxy to encourage your participation in the voting at the annual meeting. This proxy statement provides you with information about each proposal and other matters that you may find useful in voting your shares.

On or about March 7, 2013, we expect to mail or otherwise make available our proxy materials to all stockholders entitled to vote at the annual meeting. Our proxy materials include our 2012 annual report to stockholders, which contains detailed information about the Corporation's activities and financial performance in 2012.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING
TO BE HELD ON APRIL 16, 2013**

This proxy statement, the 2012 annual report to stockholders, and a link to the means to vote by Internet or telephone are available at www.proxyvote.com.

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**COMMON QUESTIONS REGARDING OUR ANNUAL MEETING
AND PROXY STATEMENT**

A Notice Regarding the Availability of Proxy Materials

Pursuant to the rules recently adopted by the Securities and Exchange Commission (the "SEC"), for some of our stockholders we are providing access to our proxy materials over the Internet. The rules permit us to send a Notice Regarding the Availability of Proxy Materials (the "Notice") to some or all of our stockholders of record and beneficial owners. All stockholders have the ability to access the proxy materials on the website referred to in the Notice, www.proxyvote.com, or to request a printed set of proxy materials on this site or by calling toll-free 1-800-690-6903. Complete instructions for accessing the proxy materials over the Internet or requesting a printed copy may be found in the Notice. In addition, stockholders may request to receive all future proxy materials in printed form by mail or electronically by e-mail on the website above or when voting electronically.

Electronic Access to the Proxy Materials

The Notice provides instructions regarding how to view our proxy materials for the annual meeting on the Internet and how to instruct us to send our future proxy materials to you electronically by e-mail.

Choosing to receive your future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact of our annual stockholders' meetings on the environment. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

Who May Vote

Record holders of the Corporation's common stock at the close of business on February 18, 2013 may vote at the annual meeting. On that date, the Corporation had 239,157,282 shares of common stock outstanding. The shares of common stock held in the Corporation's treasury will not be voted.

You are entitled to one vote for each share of common stock that you owned of record at the close of business on February 18, 2013. The proxy card or Notice, as applicable, indicates the number of shares you are entitled to vote at the annual meeting.

Voting Your Proxy

Whether or not you plan to attend the annual meeting, we urge you to vote your shares promptly.

If you are a *stockholder of record* (that is, you hold your shares of the Corporation's common stock in your own name), you may vote your shares by proxy using any of the following methods:

Using the Internet site listed on the Notice or the proxy card;

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Calling the toll-free telephone number listed on the proxy card (Notice recipients should first visit the Internet site listed on the Notice before voting by telephone); or

Completing, signing, dating, and returning your proxy card.

The telephone and Internet voting procedures set forth on the Notice and the proxy card are designed to authenticate stockholders' identities, to allow stockholders to provide their voting instructions, and to confirm that their instructions have been properly recorded. If you vote by telephone or through the Internet, you should not return your proxy card.

If you are a *beneficial owner*, also known as a *street name* holder (that is, you hold your shares of the Corporation's common stock through a broker, bank, or other nominee), you will receive from the record holder, in the form of a Notice or otherwise, voting instructions (including instructions, if any, on how to vote by telephone or through the Internet) that you must follow in order to have your shares voted at the annual meeting. **Brokers cannot vote your shares on the election of directors or certain executive compensation matters without your specific instructions.** Consequently, it is important that you communicate your voting instructions so your vote can be counted by using any of the following methods:

Using the Internet site listed on the Voting Instruction Form;

Calling the toll-free telephone number listed on the Voting Instruction Form; or

Completing, signing, dating, and returning your Voting Instruction Form.

If you own shares of common stock as a participant in The Northern Trust Company Thrift-Incentive Plan (TIP), or as a participant in any other employee benefit plan of the Corporation, you will receive a voting instruction card that covers the shares credited to each of your plan accounts.

Whether you vote by Internet, telephone or mail, your shares will be voted in accordance with your instructions. If you sign, date, and return your proxy card without indicating how you want to vote your shares, the proxy holders will vote your shares in accordance with the following recommendations of the board of directors:

- Item 1 **FOR** the election of each nominee for director;
- Item 2 **FOR** the approval, by an advisory vote, of the 2012 compensation of the Corporation's named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC;
- Item 3 **FOR** the ratification of the appointment of KPMG LLP as the Corporation's independent registered public accounting firm for the fiscal year ending December 31, 2013; and
- Item 4 **AGAINST** the stockholder proposal regarding additional disclosure of political and lobbying contributions.

The proxy holders are authorized to vote as they shall determine in their sole discretion on any other business that may properly come before the annual meeting.

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Revoking Your Proxy

You may revoke your proxy at any time *before* it is voted at the annual meeting by:

Sending a written notice of revocation to the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement;

Submitting another signed proxy card with a later date;

Voting by telephone or through the Internet at a later date; or

Attending the annual meeting and voting in person.

Voting in Person

You may come to the annual meeting and vote your shares in person by obtaining and submitting a ballot that will be provided at the meeting. However, if your shares are held by a broker, bank, or other nominee in street name, to be able to vote at the meeting you must obtain a proxy, executed in your favor, from the record holder of your shares, indicating that you were the beneficial owner of the shares on February 18, 2013, the record date for voting.

If you need directions to the annual meeting, please call (312) 630-6000.

Householding Information

We are delivering only one annual report and proxy statement (or, as applicable, the Notice) to record stockholders who share the same address unless they have notified us that they wish to continue receiving multiple copies. This practice, known as householding, reduces duplicate mailings, saves printing and postage costs as well as natural resources and will not affect dividend check mailings. If you wish to receive separate copies of future proxy materials, please contact Broadridge toll free at 1-800-542-1061, or by writing to Broadridge, Householdings Department, 51 Mercedes Way, Edgewood, NY 11717. Stockholders who wish to receive a separate set of proxy materials now should contact Broadridge at the same phone number or mailing address and the materials will be delivered to you promptly upon your request.

Quorum and Vote Required for Approval

A quorum of stockholders is necessary to hold a valid meeting. A quorum will exist if a majority of the outstanding shares entitled to vote at the meeting is present in person or by proxy at the annual meeting. Abstentions and broker non-votes, if any, will be counted as present for purposes of establishing a quorum. A broker non-vote will occur when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner. **Brokers cannot vote your shares on the election of directors or certain executive compensation matters without your specific instructions. Please return your proxy card or vote by telephone or through the Internet so your vote can be counted.** Inspectors of election appointed for the annual meeting will tabulate all votes cast in person or by proxy at the annual meeting. In the event a quorum is not present at the annual meeting, we expect that the annual meeting will be adjourned or postponed to solicit additional proxies.

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The following table indicates the vote required for approval of each item to be presented to the stockholders at the annual meeting and the effect of withhold votes, abstentions, and broker non-votes.

Item	Required Vote	Effect of Withhold Votes, Abstentions, Broker Non-Votes
Item 1 Election of Directors	Affirmative vote of a majority of the shares of common stock present and voting.	Withhold votes will have the effect of a vote AGAINST the election of directors. Broker non-votes will have no effect on the voting for the election of directors.
Item 2 Advisory Vote on Executive Compensation	Affirmative vote of a majority of the shares of common stock present and voting.	Abstentions will have the effect of a vote AGAINST this proposal. Broker non-votes will have no effect on the voting for this item.
Item 3 Ratification of the appointment of KPMG LLP as the Corporation's independent registered public accounting firm for fiscal year 2013	Affirmative vote of a majority of the shares of common stock present and voting.	Abstentions will have the effect of a vote AGAINST ratification. Broker non-votes will have no effect on the voting for this item.
Item 4 Stockholder Proposal	Affirmative vote of a majority of the shares of common stock present and voting.	Abstentions will have the effect of a vote AGAINST ratification. Broker non-votes will have no effect on the voting for this item.

Solicitation of Proxies

The Corporation will pay all costs of soliciting proxies. The Corporation has retained Georgeson Inc. to assist with the solicitation of proxies for a fee of \$24,500, plus reimbursement of reasonable out-of-pocket expenses. In addition, we may also use our officers and employees, at no additional compensation, to solicit proxies either personally or by telephone, Internet, letter, or facsimile.

ADMITTANCE TO THE ANNUAL MEETING

Stockholders as of the record date, or their duly appointed proxies, may attend our annual meeting on April 16, 2013. Registration will begin at 9:30 a.m., and seating will begin at 10:00 a.m. If you attend, please note that you will need to bring with you an admission ticket (located on the top portion of the rear side of the proxy card) or proof of ownership of the Corporation's common stock to enter the meeting. If you arrive at the meeting without an admission ticket, we will admit you only if we are able to verify that you are a stockholder of the Corporation. Also, you may be asked to present valid picture identification, such as a driver's license or passport. For safety and security reasons, cameras and recording devices will not be permitted in the meeting.

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If you are receiving a full set paper copy of our proxy materials and your shares of common stock are held by a broker, bank, or other nominee in street name, your admission ticket is the left side of your voting instruction form. If you do not bring the left side of your voting instruction form, you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or letter from a bank or broker is an example of proof of ownership.

If you are receiving the Notice without a full set paper copy of our proxy materials, your Notice will serve as your admission ticket.

ITEM 1 ELECTION OF DIRECTORS

Stockholders will be asked to elect 12 directors at this year's annual meeting. Set forth below is detailed information with respect to the 12 nominees, all of whom are currently serving as directors of the Corporation and its principal subsidiary, The Northern Trust Company (the Bank).

Each of the 12 director nominees has consented to serve as a director if elected at this year's annual meeting. Each nominee elected as a director will serve until the next annual meeting and until his or her successor has been elected and qualified. If any nominee is unable to serve as a director at the time of the annual meeting, your proxy may be voted for the election of another nominee proposed by the board or the board may reduce the number of directors to be elected at the annual meeting.

Under the majority voting policy as set forth in the Corporation's by-laws, a nominee for director in an uncontested election (such as this year's election where the only nominees are those recommended by the board of directors) must receive the affirmative vote of a majority of the votes present and voting at a meeting of stockholders. In contested elections, the affirmative vote of a plurality of the votes present and voting will be required to elect a director. The Corporate Governance Guidelines require an incumbent director who fails to receive the affirmative vote of a majority of the votes present and voting in an uncontested election at a meeting of stockholders to submit his or her resignation, with such resignation to be considered by the members of the Corporate Governance Committee and the board other than such incumbent director. In such event, the board of directors will act to accept or reject the incumbent director's resignation no later than 90 days following the date of the stockholders' meeting.

The board of directors unanimously recommends that you vote FOR the election of each nominee.

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INFORMATION ABOUT THE NOMINEES FOR DIRECTOR

The following information about the nominees for election to the board of directors of the Corporation at the 2013 annual meeting of stockholders is as of December 31, 2012, unless otherwise indicated.

LINDA WALKER BYNOE, Director since 2006, Age 60

President and Chief Executive Officer, Telemat Ltd. since January 1995 (Project management and consulting firm).

Ms. Bynoe is a director of Anixter International Inc. and Prudential Retail Mutual Funds and a trustee of Equity Residential. She is a former director of Simon Property Group, Inc.

The board of directors concluded that Ms. Bynoe should serve as a director based on her diverse consulting and investment experience, her expertise in public accounting, corporate governance, managing a private equity investment portfolio, and strategy development, and her experience as a director of financial services and other complex global corporations.

NICHOLAS D. CHABRAJA, Director since 2007, Age 70

Retired Chairman and Chief Executive Officer, General Dynamics Corporation (Worldwide defense, aerospace, and other technology products manufacturer). Mr. Chabraja served as Chief Executive Officer of General Dynamics Corporation from June 1997 through July 2009 and as Chairman from June 1997 to May 2010.

Mr. Chabraja is a director of General Dynamics Corporation and the non-executive chairman of Tower International, Inc. He is a former director of Ceridian Corporation.

The board of directors concluded that Mr. Chabraja should serve as a director based on his experience leading a complex global corporation and risk oversight experience as Chairman and Chief Executive Officer of General Dynamics Corporation.

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SUSAN CROWN, Director since 1997, Age 54

Vice President, Henry Crown and Company since 1984 (Worldwide company with diversified manufacturing operations, real estate, and securities), **Chief Executive Officer, Owl Creek Partners, LLP** since 2011 (venture capital investment vehicle), and **Chairman and Founder, Susan Crown Exchange Inc. (SCE)** since 2008 (Non-profit foundation focused on 21st century skill-building).

Ms. Crown is a director of Illinois Tool Works Inc. and Vice Chair of the Board of Trustees of Rush University Medical Center in Chicago. Ms. Crown is a former trustee of Yale University.

The board of directors concluded that Ms. Crown should serve as a director based on her experience at Henry Crown and Company, a firm managing a broad range of investments and manufacturing operations, as well as her leadership and risk oversight experience as a director of Illinois Tool Works Inc. and other organizations. The board considered that Ms. Crown has extensive experience with civic and not-for-profit organizations, having founded a not-for-profit organization, Susan Crown Exchange Inc. (SCE), and served on the boards of many similar organizations. The board also considered that Ms. Crown's current and former positions as a board member on various large organizations, both commercial and not-for-profit, have given Ms. Crown a valuable perspective on many governance and corporate responsibility topics.

DIPAK C. JAIN, Director since 2004, Age 55

Dean Emeritus of INSEAD and Marketing Professor (Educational institution). Mr. Jain served as Dean of INSEAD from May 2011 to March 2013 and became Marketing Professor in March 2013. Dean Emeritus of Kellogg School of Management, Northwestern University, from September 2009 to May 2011, Sandy and Morton Goldman Professor in Entrepreneurial Studies and Professor of Marketing since September 2009 and 1994 to July 2001, Dean from July 2001 through August 2009, and Associate Dean for Academic Affairs from July 1996 to June 2001 (Educational institution).

Mr. Jain is a Visiting Professor of Marketing at Sasin Graduate Institute of Business Administration at Chulalongkorn University, Bangkok, Thailand; Nijenrode University, The Netherlands; WHU-Otto Beisheim Graduate School of Management, Koblenz, Germany; Indian School of Business, Hyderabad, India; Hong Kong University of Science and Technology, Hong Kong; and Recanati Graduate School of Business Administration at Tel Aviv University, Israel (All educational institutions).

Mr. Jain is a director of Deere & Company, Reliance Industries Limited, India, and Global Logistics Properties, Singapore. He is a former director of Hartmarx Corporation and Peoples Energy Corporation.

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The board of directors concluded that Mr. Jain should serve as a director based on his academic experience, his business administration positions both in the United States and abroad, his global consulting experience, including his experience and research in marketing and competitive market analysis, and his experience as a director of other complex global corporations.

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ROBERT W. LANE, Director since November 2009, Age 63

Retired Chairman and Chief Executive Officer, Deere & Company (Worldwide provider of agricultural, construction, and forestry equipment and financial services). Mr. Lane served as Chairman of Deere & Company from August 2000 to February 2010 and as Chief Executive Officer from May 2000 through July 2009.

Mr. Lane is a director of Bayerische Motoren Werke (BMW) A.G., General Electric Company, and Verizon Communications Inc. He is a former director of Deere & Company.

The board of directors concluded that Mr. Lane should serve as a director based on his experience leading a complex global corporation and risk oversight experience as Chairman and Chief Executive Officer of Deere & Company and as a director of other complex global corporations, including his global management experience.

EDWARD J. MOONEY, Director since 1996, Age 71

Retired Délégué General-North America since March 2001, Suez Lyonnaise des Eaux (Worldwide provider of energy, water, waste and communications services); Retired Chairman and Chief Executive Officer, Nalco Chemical Company since March 2000 (Manufacturer of specialized service chemicals acquired by Suez Lyonnaise des Eaux in November 1999).

Mr. Mooney is a director of Cabot Microelectronics Corporation, FMC Technologies, Inc., and the lead director of FMC Corporation. He is a former director of Commonwealth Edison Company (a subsidiary of Exelon Corporation) and PolyOne Corporation.

The board of directors concluded that Mr. Mooney should serve as a director based on his global management and risk oversight experience as Chairman and Chief Executive Officer of Nalco Chemical Company and his experience as a director of other complex global corporations.

JOSE LUIS PRADO, Director since 2012, Age 58

President of Quaker Oats North America, a division of PepsiCo, Inc. (global food and beverage company), since 2011 and President and Chief Executive Officer of Grupo Gamesa-Quaker, PepsiCo International, Monterrey, Mexico, from 2002 to 2010.

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Mr. Prado joined PepsiCo in Mexico in 1984 and has served in a variety of positions at PepsiCo, including: Regional Vice President Andean Region, Frito-Lay International; President of PepsiCo Snacks Argentina, Buenos Aires, Argentina; and President of Frito-Lay Snacks Caribbean, San Juan, Puerto Rico. His early career at PepsiCo included assignments in sales, finance, and IT.

The board of directors concluded that Mr. Prado should serve as a director based on his management and risk oversight experience at a complex global corporation and his significant international experience.

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JOHN W. ROWE, Director since 2002, Lead Director since April 2010, Age 67

Chairman Emeritus, Exelon Corporation (Energy company) since March 2012, Chairman and Chief Executive Officer, from April 2002 until March 2012, and President at various times during and after 2000.

Mr. Rowe is a director of Allstate Corporation and SunCoke Energy, Inc. Mr. Rowe is a former director of Sunoco Corporation and Exelon Corporation.

The board of directors concluded that Mr. Rowe should serve as a director based on his management, regulatory, government relations, and risk oversight experience as Chief Executive Officer at Exelon Corporation and prior to that, at New England Electric System and Central Maine Power Company, and his experience as a director of financial services and other complex corporations.

MARTIN P. SLARK, Director since 2011, Age 58

Vice Chairman and Chief Executive Officer, Molex Incorporated since 2005 and President and Chief Operating Officer from 2001 to 2005 (Manufacturer of electronic, electrical, and fiber optic interconnection products and systems).

Mr. Slark is a director of Molex Incorporated, Hub Group, Inc., and Liberty Mutual Insurance Company (not a public company).

The board of directors concluded that Mr. Slark should serve as a director based on his experience leading a complex global corporation and risk oversight experience as Vice Chairman and Chief Executive Officer of Molex Incorporated and as a director of other complex global corporations.

DAVID H. B. SMITH, JR., Director since April 2010, Age 46

Executive Vice President, Policy & Legal Affairs and General Counsel, Mutual Fund Directors Forum since November 2005 (Nonprofit membership organization for investment company directors). Previously, Mr. Smith held several positions at the U.S. Securities and Exchange Commission from 1996 to 2005, including Associate Director in the Division of Investment Management.

Mr. Smith is a director of Illinois Tool Works Inc. and a trustee of Carleton College.

The board of directors concluded that Mr. Smith should serve as a director based on his regulatory and leadership experience in the finance industry gained from his roles at the SEC and the Mutual Fund Directors Forum. The board also considered that Mr. Smith's interest as a beneficiary of a trust that holds a significant amount of the Corporation's common stock further aligns his interests with the interests of the Corporation's stockholders.

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CHARLES A. TRIBBETT III, Director since 2005, Age 57

Managing Director, Russell Reynolds Associates since December 1989, **Chairman** of the firm's Leadership Assessment and Promotions Board since 2006, and **Co-Leader** of the firm's CEO/Succession Planning and Board Services Practice since December 1995 (Major executive recruiting firm that advises and consults with Fortune 500 corporations on matters relating to succession planning, compensation, corporate governance, and recruiting).

The board of directors concluded that Mr. Tribbett should serve as a director based on his global leadership consulting experience evaluating and identifying senior management professionals and his leadership experience as a Managing Director of Russell Reynolds Associates.

FREDERICK H. WADDELL, Director since 2006, Age 59

Chairman of the Board since November 2009 and **Chief Executive Officer** since January 2008 of the Corporation and the Bank, **President** from February 2006 through September 2011, Chief Operating Officer from February 2006 to January 2008, and Executive Vice President of the Bank from September 1997 to February 2006 and of the Corporation from March 2003 to February 2006.

Mr. Waddell is a Class A Director of the Federal Reserve Bank of Chicago and a director of AbbVie, Inc.

Since joining Northern Trust in 1975, Mr. Waddell has held leadership positions in a variety of the Corporation's business units. The board concluded that Mr. Waddell should serve as a director based on his experience and ongoing responsibilities with respect to the Corporation's businesses.

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BOARD AND BOARD COMMITTEE INFORMATION

Audit Committee

Current Members: Directors Mooney (Chair), Bynoe, Chabraja, Lane, and Smith

Number of Meetings in 2012: Six

Oversight Activities:

Appoints and evaluates the performance and independence of the Corporation's independent registered public accounting firm

Meets with internal audit representatives; receives and discusses the internal audit program and the results of examinations

Meets with the Corporation's independent registered public accounting firm; reviews and discusses their reports issued with respect to the Corporation's annual consolidated financial statements and the internal financial control structure and procedures for financial reporting

The board of directors has determined that, in its opinion, all current members of the Corporation's Audit Committee are independent directors, as defined by The NASDAQ Stock Market (NASDAQ), and audit committee financial experts, as defined by the applicable SEC regulations.

The board of directors of the Corporation has adopted a formal charter, most recently revised in October 2009, that governs the duties and responsibilities of the Audit Committee. The Audit Committee charter is available on the Corporation's website at www.northerntrust.com and available in print to any stockholder who requests it in writing from the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement.

Business Risk Committee

Current Members: Directors Bynoe (Chair), Mooney, Prado, Slark, and Smith

Number of Meetings in 2012: Five

Oversight Activities:

Reviews the risks inherent in the businesses of the Corporation and its subsidiaries in the following categories and the controls and mitigants for such risks: credit risk, market and liquidity risk, fiduciary risk, operational risk, and the regulatory component of compliance risk

Reviews the process by which risk-based capital requirements are determined, including the internal capital adequacy assessment process for the Corporation and its subsidiaries

The board of directors has determined that, in its opinion, all current members of the Corporation's Business Risk Committee are independent directors as defined by NASDAQ. The board of directors of the Corporation has adopted a formal charter, most recently revised in October 2012, that governs the duties and responsibilities of the Business Risk Committee. The Business Risk Committee charter is available on the Corporation's website at www.northerntrust.com and available in print to any stockholder who requests it in writing from the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement.

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Business Strategy Committee

Current Members: Directors Jain (Chair), Prado, Slark, and Tribbett

Number of Meetings in 2012: Four

Oversight Activities:

- Reviews the strategic direction of the Corporation
- Reviews the strategic initiatives of the business units of the Corporation and its subsidiaries
- Reviews the management of strategic risk for the Corporation and its subsidiaries
- Ensures the integration of corporate social responsibility principles related to environmental and social practices into the strategic direction and strategic initiatives of the Corporation and its business units and the governance of those practices

The board of directors has determined that, in its opinion, all current members of the Corporation's Business Strategy Committee are independent directors as defined by NASDAQ.

The board of directors of the Corporation has adopted a formal charter, most recently revised in October 2012, that governs the duties and responsibilities of the Business Strategy Committee. The Business Strategy Committee charter is available on the Corporation's website at www.northerntrust.com and available in print to any stockholder who requests it in writing from the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement.

Compensation and Benefits Committee

Current Members: Directors Chabraja (Chair), Crown, Jain, Mooney, and Rowe

Number of Meetings in 2012: Five

Oversight Activities:

- Oversees the development and operation of the Corporation's compensation policies, systems, and related control processes
- Reviews and approves the overall goals and purposes of the Corporation's compensation programs including its incentive programs so that they achieve an appropriate balance and are consistent with safety and soundness principles (including appropriate risk considerations)
- Meets with internal human resources representatives and outside consultants and reviews compensation policy, executive compensation levels, and emerging market trends and developments regarding compensation practices
- Recommends stock and cash benefit and incentive plans, programs, and payments
- Administers certain stock and cash benefit and incentive plans and programs
- Oversees management development and succession planning
- Reviews, with input of risk management personnel, management's assessment of the effectiveness of the Corporation's incentive compensation arrangements and practices to assess the extent to which such arrangements and practices discourage inappropriate risk-taking behavior by participants and are consistent with the Corporation's safety and soundness

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The board of directors has determined that, in its opinion, all current members of the Corporation's Compensation and Benefits Committee are independent directors as defined by NASDAQ.

The board of directors of the Corporation has adopted a formal charter, most recently revised in October 2012, that governs the duties and responsibilities of the Compensation and Benefits Committee. The Compensation and Benefits Committee charter is available on the Corporation's website at www.northerntrust.com and available in print to any stockholder who requests it in writing from the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement.

The Committee retained Aon Hewitt (formerly Hewitt Associates, LLC) (Aon Hewitt), a nationally recognized compensation and benefits consulting firm, to provide compensation and benefits advice, including information regarding competitive market data, relevant legal and regulatory requirements, and corporate best practices in the compensation and benefits area. Representatives of Aon Hewitt attended all meetings of the Committee at which 2012 executive compensation decisions were made.

For information about the role of the Committee, compensation consultants, and management in the consideration and determination of executive and director compensation, please refer to the Compensation Discussion and Analysis Determining Awards presented elsewhere in this proxy statement.

Corporate Governance Committee

Current Members: Directors Rowe (Chair), Crown, Lane, and Tribbett

Number of Meetings in 2012: Five

Oversight Activities:

- Evaluates and recommends candidates for nomination to the board of directors
- Recommends structure and membership of board committees
- Considers candidates for the board recommended by stockholders

The board of directors has determined that, in its opinion, all current members of the Corporation's Corporate Governance Committee are independent directors as defined by NASDAQ.

The board of directors of the Corporation has adopted a formal charter, most recently revised in February 2010, that governs the duties and responsibilities of the Corporate Governance Committee. The Corporate Governance Committee charter is available on the Corporation's website at www.northerntrust.com and available in print to any stockholder who requests it in writing from the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement.

Executive Committee

Current Members: Directors Waddell (Chair), Bynoe, Chabraja, Jain, Mooney, and Rowe

Number of Meetings in 2012: One

Oversight Activities:

- Empowered to act for the board of directors, to the full extent permitted by law, between meetings of the board of directors

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The board of directors has determined that, in its opinion, all current members of the Corporation's Executive Committee, other than Mr. Waddell, are independent directors as defined by NASDAQ.

The board of directors of the Corporation adopted a formal charter in November 2006 that governs the duties and responsibilities of the Executive Committee. The Executive Committee charter is available on the Corporation's website at www.northerntrust.com and available in print to any stockholder who requests it in writing from the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement.

Meetings

The Corporation's board of directors held eight meetings during 2012. All persons who were directors during 2012 attended at least 75% of these meetings and meetings of committees on which they served, including Robert C. McCormack and Enrique J. Sosa who retired from the board of directors on April 17, 2012 and attended at least 75% of the 2012 board meetings and meetings of the committees on which they served until their retirement. The Corporation has a Corporate Governance Guideline that states that all directors are expected to attend the annual meeting of the Corporation's stockholders. All of the current directors other than Mr. Prado, who became a director in October 2012, attended the 2012 annual meeting of stockholders held on April 17, 2012. Messrs. McCormack and Sosa also attended the 2012 annual meeting of stockholders.

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CORPORATE GOVERNANCE

Director Independence

The board of directors has determined that, in its opinion, each person who served as a director of the Corporation in 2012 (including Robert C. McCormack and Enrique J. Sosa who retired from the board of directors on April 17, 2012) and each director nominee for 2013 (other than Frederick H. Waddell, the Chairman and Chief Executive Officer of the Corporation and the Bank) is an independent director as defined under applicable NASDAQ rules.

Our categorical standards of director independence:

The board of directors has adopted categorical standards to assist it in making the annual determinations of independence. The categorical standards described below are also available on the Corporation's website at www.northerntrust.com. Under these standards, the following persons shall not be considered independent :

a director who is or was an executive officer or employee, or whose immediate family member is or was an executive officer, of the Corporation in the current or any of the past three fiscal years;

a director who receives or has received, or whose immediate family member receives or has received, more than \$120,000 per year in direct compensation from the Corporation, other than director and committee fees, benefits under a tax-qualified retirement or pension plan or other forms of non-discretionary compensation or deferred compensation for prior service, during any period of twelve consecutive months within the past three years; provided, however, that compensation received by an immediate family member of a director for service as an employee (other than an executive officer) of the Corporation or any subsidiary of the Corporation need not be considered in determining independence;

a director who is, or whose immediate family member is, a current partner of the internal or external auditor of the Corporation or who is or has been, or whose immediate family member is or has been, affiliated with or employed by a (present or former) internal or external auditor of the Corporation (or of an affiliate) and involved with the Corporation's audit, in the current or any of the past three fiscal years;

a director who is or has been or whose immediate family member is or has been, part of an interlocking directorate in which an executive officer of the Corporation serves on the compensation committee of another company that concurrently employs the director or his or her immediate family member, in the current or any of the past three fiscal years; or

a director who is a partner in, a controlling stockholder, an executive officer or an employee of, or whose immediate family member is a partner in, a controlling stockholder or an executive officer of, a company that, in the current year or any of the past three fiscal years, made payments to, or received payments from, the Corporation for property or services in an amount which, in any single fiscal year, exceeded the greater of \$200,000 or 5% of the recipient's revenues or the greater of \$1 million or 2% of such other company's revenues.

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In making its determinations of independence, the board considered the criteria for independence set forth in stock exchange corporate governance rules, the categorical standards of independence described above, and all relevant facts and circumstances to ascertain whether there was any relationship between a director or director nominee and the Corporation that, in the opinion of the board, would interfere with the exercise of independent judgment in carrying out the responsibilities of the director, or any material relationship with the Corporation (either directly or as a partner, stockholder, or officer of an organization that has a relationship with the Corporation).

The board also considered any transactions, relationships, or arrangements between the Corporation and each director of the Corporation in 2012 (including Messrs. McCormack and Sosa) or director nominee for 2013 that constitutes a related person transaction under the Northern Trust Corporation Policy and Procedures with Respect to Related Person Transactions (the RPT Policy) described in the Related Person Transaction Policy section below. None of the transactions described below were in an amount which exceeded the greater of \$200,000 or 5% of the recipient's revenues or the greater of \$1,000,000 or 2% of the other company's revenues during the most recent completed fiscal year. For 2012, the board considered the following categories and types of transactions, relationships, and arrangements, some of which are covered by the RPT Policy, and, in each case, determined that they were immaterial and did not affect the independence of any director:

Purchases and sales of goods or services in the ordinary course of business:

During 2012, the Corporation purchased directly, and indirectly through property managers, electric utility and natural gas services provided by public utilities owned by Exelon Corporation, where Mr. Rowe served as an executive officer and director until March 12, 2012. Those electric utility and natural gas services were obtained at competitive bid market rates. During 2012, the Corporation also purchased electric utility services provided by a public utility unaffiliated with Exelon Corporation at a rate or rates that included supply tariffs charged by a subsidiary of Exelon Corporation for delivering those electric utility services to the Corporation. The supply tariff amounts were fixed in conformity with law or governmental authority. The aggregate amount paid directly or indirectly to Exelon Corporation for the foregoing electric utility, natural gas, and delivery services amounted to less than 0.01% of the consolidated gross annual revenues of Exelon Corporation during the most recent completed fiscal year. Under SEC rules, Exelon Corporation and its subsidiaries have not been related persons since January 1, 2013.

The Corporation paid net underwriting discounts to, and received net referral fees from Loop Capital Markets LLC, an entity at which a member of Ms. Bynoe's immediate family is employed. Ms. Bynoe's family member does not undertake any substantive work or play an advisory or supervisory role on the transactions with the Corporation and does not receive compensation based on the services Loop Capital Markets LLC provides or has provided to the Corporation. The discounts paid and net referral fees received were on non-preferential terms in the ordinary course of business. The discounts paid and net referral fees received amounted to less than 1.0% of the consolidated gross annual revenue of Loop Capital Markets LLC during the most recent completed fiscal year.

The Corporation paid for legal services from Vedder Price, a law firm at which a member of Mr. Chabraja's immediate family is a partner. Mr. Chabraja's family member does not undertake any substantive work or play an advisory or supervisory role in the provision of legal services to the Corporation and does not receive compensation based on the services

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Vedder Price provides or has provided to the Corporation. The fees paid for legal services were on non-preferential terms in the ordinary course of business, and amounted to less than 0.1% of the consolidated gross annual revenue of Vedder Price during the most recent completed fiscal year.

Financial services provided in the ordinary course of business:

The board of directors also considered the following types of financial services provided by the Corporation or its subsidiaries in the ordinary course of business to the independent directors (including Messrs. McCormack and Sosa) and director nominees of the Corporation in 2012 (other than Mr. Waddell) and their related persons as described in the Related Person Transaction Policy section below (as indicated by the name of the applicable current or former director or director nominee):

Trust and related services	Chabraja, Lane, McCormack, Mooney, Rowe, Smith
Credit services and other banking services (e.g., deposits, checking, treasury management)	Bynoe, Chabraja, Crown, Jain, Lane, McCormack, Mooney, Prado, Rowe, Slark, Smith, Sosa, Tribbett
Asset servicing, asset management, securities lending, foreign exchange, and related services	Bynoe, Chabraja, Crown, Lane, McCormack, Mooney, Prado, Rowe, Slark, Smith, Sosa, Tribbett
Qualified retirement plan services	Chabraja, Rowe, Tribbett
Brokerage services	Bynoe, Chabraja, Crown, Jain, Lane, McCormack, Rowe, Smith, Tribbett

The financial services were provided to the directors and their related persons on substantially the same terms (including price, interest rates, and collateral requirements) as those prevailing at the time for comparable transactions with other persons not related to or affiliated with the Corporation and in compliance with applicable banking laws. None of the transactions involved more than the normal risk of collectability or presented other unfavorable features.

Related Person Transaction Policy

The board of directors of the Corporation, through its Audit Committee, has adopted the RPT Policy, which was most recently revised in February 2012. The RPT Policy governs the review, approval, or ratification of transactions between the Corporation or its subsidiaries and any related persons. Related persons means the Corporation's directors, nominees for director, executive officers, greater than five percent beneficial owners, members of their immediate family, and any firm, corporation, or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person and all other related persons has a 10% or greater beneficial interest.

The RPT Policy provides that the Corporation may undertake certain pre-approved related person transactions in the ordinary course of business without specific review, approval or ratification, including the following pre-approved transactions:

An extension of credit to a related person that is made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the lender and does not involve more than the normal risk of collectability or present other unfavorable features;

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Certain other ordinary course transactions in which the Corporation or its subsidiaries provide products or services to related persons on terms no less favorable to the Corporation and its subsidiaries as those prevailing at the time for comparable services to non-related persons;

A transaction involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;

A transaction where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

A transaction with another company at which a related person's only relationship is as an employee, a limited partner or a beneficial owner of less than 10% of the company's outstanding common equity, provided the aggregate amount of the transaction does not exceed the greater of \$1 million or 2% of the other company's annual revenues;

Contributions or grants, or pledges of contributions or grants, by the Corporation, any of its subsidiaries, or The Northern Trust Company Charitable Trust to a charitable, non-profit, or educational organization for which a director or executive officer of the Corporation or an immediate family member of a director or executive officer of the Corporation serves as an executive officer and where the aggregate amount involved does not exceed the lesser of \$1 million or 2% of the organization's total annual receipts;

Transactions where the related person's interest arises solely from the ownership of the Corporation's common stock and all stockholders receive the same benefit on a pro rata basis; and

Compensation paid to executive officers and directors of the Corporation that is reported in the Corporation's proxy statement or otherwise approved or recommended by the Compensation and Benefits Committee.

Any other related person transaction involving amounts in excess of \$120,000 must be approved or ratified by the Audit Committee or the Audit Committee Chair. In considering related person transactions, the Audit Committee or the Audit Committee Chair shall consider all relevant facts and circumstances and shall approve only those related person transactions that are in, or otherwise not inconsistent with, the best interests of the Corporation and its subsidiaries. The RPT Policy also provides that (a) the Corporation shall not hire an immediate family member of an executive officer or director unless the employment arrangement is reviewed and approved by the Compensation and Benefits Committee and (b) no child, stepchild, or parent of an executive officer shall be hired by the Corporation.

In 2012, certain related persons were clients of, and engaged in the types of transactions identified in the bullet points above with, the Corporation and one or more of its subsidiaries. These transactions were undertaken in the ordinary course of business and were made on substantially the same terms (including interest rates and collateral for loan transactions) as those prevailing at the time for comparable transactions with persons not related to the Corporation or the Northern Trust entities involved in the transactions. In addition, loan transactions did not involve more than the normal risk of

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collectibility or present other unfavorable features. None of the foregoing transactions or any transactions in which the Corporation or any of its subsidiaries sold or purchased products and services were material to the Corporation or the Northern Trust entities involved in the transactions, and none require disclosure of additional information pursuant to Item 404(a) of Regulation S-K of the Securities Exchange Act of 1934. Any extensions of credit to directors and executive officers of the Corporation were permitted under the provisions of the Sarbanes-Oxley Act of 2002.

Board Leadership Structure

The current leadership structure of the board of directors includes the Chairman and CEO and a Lead Director appointed annually by the Corporation's independent directors.

The board of directors believes that combining the positions of Chairman and CEO is the most appropriate for the Corporation at this time. Having one person as Chairman and CEO provides unified leadership and direction to the Corporation and strengthens the ability of the CEO to develop and implement strategic initiatives and respond efficiently in crisis situations. The board also believes the combination of the Chairman and CEO positions is appropriate in light of the substantial independent oversight provided by the board of directors.

The board of directors believes that leadership of the independent directors is important. Accordingly, the Corporation's independent directors designate annually a Lead Director. Mr. Rowe currently serves as the Corporation's Lead Director.

The Lead Director's duties are described in the Corporation's Corporate Governance Guidelines and include, among other things, (a) approving meeting agendas for the board and the nature of information sent to the board, (b) approving board meeting schedules to assure that there is sufficient time for discussion of all board agenda items, (c) the authority to call at any time a special meeting of the board or a special executive session of the independent directors, (d) the authority to add items to the agenda of any regular or special meeting of the board, (e) preparing the agenda for all regular and any special executive sessions of the independent directors, (f) presiding at all regular and special meetings of the board at which the Chairman is not present, (g) presiding at all regular and any special executive sessions of the independent directors, (h) serving as a liaison between the independent directors and the Chairman and CEO, (i) conducting, by means of an interview with each independent director, the independent directors' annual evaluation of the Chairman and CEO's performance and then communicating the results to the Compensation and Benefits Committee and to the Chairman and CEO, (j) conducting, by means of an interview with each director, including the Chairman and CEO, the board's annual self-evaluation of its performance and then providing a summary report to the board, and (k) being available for consultation and direct communication with major stockholders, if they so request. A copy of the Corporate Governance Guidelines is available on the Corporation's website at www.northerntrust.com and available in print to any stockholder who requests it in writing from the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement.

Eleven out of twelve director nominees, including the Lead Director, are independent directors as defined under applicable NASDAQ rules. The Audit Committee, Business Risk Committee, Business Strategy Committee, Compensation and Benefits Committee, and Corporate Governance Committee are composed solely of independent directors, and the Executive Committee, with the exception of Mr. Waddell, is composed of independent directors. Consequently, independent directors directly oversee critical matters and appropriately oversee the Chairman and CEO.

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Risk Oversight

The board of directors conducts its risk oversight function through the Audit, Business Risk, Business Strategy, and Compensation and Benefits Committees, as well as the full board of directors.

The Audit Committee conducts the Corporation's management of risks relating to financial reporting and the legal component of compliance risk. The Business Strategy Committee oversees the Corporation's management of strategic risk for the Corporation and its subsidiaries.

The Business Risk Committee conducts the Corporation's management of risks relating to the business of the Corporation and its subsidiaries in the following categories: credit risk, market and liquidity risk, fiduciary risk, operational risk, and the regulatory component of compliance risk. The Business Risk Committee has approved a corporate risk appetite statement articulating the Corporation's expectation that risk is consciously considered as part of strategic decisions and in day-to-day activities. The Corporation's business units are expected to manage business activities consistent with the corporate risk appetite statement. The Business Risk Committee also reviews and approves the framework by which risk based capital requirements are determined, including the capital adequacy assessment process for the Corporation and its subsidiaries. The entire board of directors reviews the level and adequacy of capital of the Corporation and its subsidiaries. For a further description of the risk management policies and practices of the Corporation's management, see the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Management" in the Corporation's 2012 annual report to stockholders.

The Compensation and Benefits Committee, at least annually, conducts a review, with appropriate input of risk management personnel, of management's assessment of the effectiveness of the Corporation's incentive compensation arrangements and practices to assess the extent to which such arrangements and practices discourage inappropriate risk-taking behavior by participants and are consistent with the Corporation's safety and soundness.

The charters for the Audit, Business Risk, Business Strategy, and Compensation and Benefits Committees provide that the Committees may meet with the individuals who supervise day-to-day risk management responsibilities of the Corporation and other members of management, consultants or advisors, as each Committee deems appropriate.

The Audit, Business Risk, Business Strategy, and Compensation and Benefits Committees consist solely of independent directors.

Stockholder Outreach

The Corporation recognizes the importance of stockholder communications to help our investors understand our performance and strategies and to allow our stockholders to express their views on issues important to the Corporation. At the 2012 annual meeting, stockholders voted on stockholder proposals regarding the acceleration of vesting of equity awards in a change in control situation and the independence of the chairman of the board of directors. Both before and after our 2012 annual meeting, we reached out to some of our institutional stockholders to discuss these proposals. Although both proposals failed to receive enough votes to pass, the Corporation took specific action to respond to the concerns raised following the 2012 annual meeting.

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With regard to the 2012 stockholder proposal regarding the acceleration of vesting of equity awards in a change in control situation, the Corporation changed its practice of providing single-trigger change in control vesting in its equity compensation awards to double-trigger vesting in July 2012.

With regard to the 2012 stockholder proposal regarding the independence of the chairman of the board of directors, the Corporation amended its Corporate Governance Guidelines to expand the responsibilities of the Lead Director as discussed in the Board Leadership Structure on page 20.

Given our proactive engagement with stockholders, during 2012 we also reached out to some of our institutional stockholders to invite general comments on governance issues, executive compensation, and other matters. Refer to the Compensation Discussion and Analysis section included elsewhere in this proxy statement for a further discussion of the 2013 executive compensation updates.

Executive Sessions

The independent directors of the Corporation met in executive sessions separate from management five times during 2012. The Lead Director or, in his or her absence, another independent director designated by the Lead Director presides at executive sessions of the independent directors.

Corporate Governance Guidelines

The Corporation has had Corporate Governance Guidelines in place since May 2000. These guidelines were most recently revised in July 2012. The Corporate Governance Committee is responsible for reviewing and reassessing, at least annually, the adequacy of the Corporate Governance Guidelines and recommending any changes to the board of directors for its approval. The Corporate Governance Guidelines embody many of the Corporation's long-standing practices and incorporate new policies and procedures that strengthen its commitment to corporate governance best practices. A copy of the Corporate Governance Guidelines is available on the Corporation's website at www.northerntrust.com and available in print to any stockholder who requests it in writing from the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement.

Management Development and Succession Planning

The Compensation and Benefits Committee oversees executive management and succession planning. Pursuant to the Corporate Governance Guidelines and the charter for the Compensation and Benefits Committee, the Compensation and Benefits Committee conducts an annual management development and succession planning review. All of the Corporation's directors are invited to and typically all participate in this review. Following the review, the Compensation and Benefits Committee makes recommendations concerning management development and succession planning.

In connection with setting the compensation of the Corporation's Chairman and CEO, as more fully described below in Compensation Discussion and Analysis, the Compensation and Benefits Committee and the board of directors review the performance of the Chairman and CEO in light of the Chairman and CEO's responsibilities to the Corporation, including the development of short-term and long-term strategic plans, goals and objectives, the development of an effective senior management team, positioning of the Corporation for current and future success, and effective communications with all of the Corporation's constituencies. These criteria, among others, would also be considered by the

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board of directors in evaluating any successor Chairman and CEO candidates. This management review process also includes a review of other senior employees of the Corporation, with a focus on developing internal candidates for advancement within the Corporation.

In the event of the unexpected death, incapacity, or resignation of the Chairman and CEO, the charter for the Corporate Governance Committee provides that the Corporate Governance Committee will discuss and make a recommendation to the board of directors, after consultation with the Chairman of the Compensation and Benefits Committee, for an appropriate successor. The board of directors also has adopted a Business Continuity Plan that, among other things, delineates a process for appointing an interim Chairman and CEO in the event the Chairman and CEO becomes incapacitated.

Director Nominations and Qualifications

The Corporate Governance Committee is responsible for considering, evaluating, and recommending candidates for director. The Committee will consider persons nominated by stockholders in accordance with the nomination procedures specified in the Corporation's by-laws or otherwise recommended by stockholders. The Corporation's by-laws provide that stockholders may propose director nominations only if they give timely written notice, directed to the attention of the Corporation's Corporate Secretary at the address indicated on the first page of this proxy statement, not less than 120 days prior to the anniversary date of the prior year's annual meeting. The notice must contain the information required by the by-laws. Stockholders may recommend candidates for director by following the procedures for communicating with directors described below under Communications with the Board and Independent Directors.

In its evaluation of director candidates, including persons recommended by stockholders, the Committee considers the factors specified in the Corporation's Corporate Governance Guidelines to ensure the board has a diversity of perspectives and backgrounds, including the nature of the expertise and experience required for the performance of the duties of a director of a corporation engaged in the Corporation's business and such matters as: relevant business and industry experience, professional background, age, current employment, community service, and other board service. The Committee also considers the racial, ethnic, and gender diversity of the board in assessing candidates. The Committee seeks to identify, as candidates for director, persons with a reputation for and record of integrity and good business judgment who (i) have experience in positions with a high degree of responsibility and are leaders in the organizations with which they are affiliated, (ii) are free from conflicts of interest that could interfere with a director's duties to the Corporation and its stockholders, and (iii) are willing and able to make the necessary commitment of time and attention required for effective board service. The Committee also takes into account a candidate's level of financial literacy, and monitors the mix of skills and experience of the directors in order to assess whether the board has the necessary tools to perform its oversight function effectively. A full listing of the characteristics and qualifications of director candidates considered by the Committee is set forth in the Corporate Governance Guidelines on the Corporation's website at www.northerntrust.com. Following its evaluation process, the Committee recommends its director nominees to the full board of directors, and the board makes the final determination of director nominees based on its consideration of the Committee's recommendation and report.

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Communications with the Board and Independent Directors

Stockholders and other interested persons may communicate any concerns they may have regarding the Corporation, including recommendations of candidates for director, to the board of directors or to any member of the board of directors by writing to them at the following address:

Northern Trust Corporation

Attention: [Board of Directors]/[Board Member]

c/o Corporate Secretary

Northern Trust Corporation

50 South LaSalle Street, M-9

Chicago, Illinois 60603

Communications directed to the independent directors should be sent to the attention of the Lead Director, c/o the Corporate Secretary, at the address indicated above.

Any stockholder or other interested person who has a particular concern regarding accounting, internal accounting controls, or other audit matters that he or she wishes to bring to the attention of the Audit Committee of the board of directors may communicate those concerns to the Audit Committee or its Chairman, using the address indicated above.

A majority of the independent directors of the Corporation has approved procedures with respect to the receipt, review and processing of, and any response to, written communications sent by stockholders and other interested persons to the board of directors. Any written communication regarding accounting, internal accounting controls, or other matters are processed in accordance with procedures adopted by the Audit Committee.

Code of Business Conduct and Ethics

The board of directors of the Corporation has adopted a Code of Business Conduct and Ethics, most recently revised in July 2011 (the Code), to:

Promote honest and ethical conduct, including fair dealing and the ethical handling of actual or apparent conflicts of interest;

Promote full, fair, accurate, timely, and understandable public disclosure about the Corporation;

Promote compliance with applicable laws and governmental rules, codes, and regulations wherever the Corporation does business;

Ensure the protection of the Corporation's legitimate business interests; and

Deter wrongdoing.

The code satisfies applicable SEC and NASDAQ requirements and applies to all directors, officers (including the Corporation's principal executive officer, principal financial officer, principal accounting officer and controller), and employees of the Corporation and its subsidiaries. A copy of the Code is available on the Corporation's website at www.northerntrust.com. The Corporation intends to disclose any amendments to

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the Code, and all waivers from the Code for directors and executive officers, by posting such information on its website.

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Insider Trading Policy and Policy Against Hedging

Our insider trading policy prohibits directors, employees, including our named executive officers, and certain of their family members from purchasing or selling any type of security, whether issued by us or another company, while such person is aware of material non-public information relating to the issuer of the security or from providing such material non-public information to any person who may trade while aware of such information. This policy also prohibits directors, employees, and certain of their family members from engaging in short selling, margining, and the pledging or hypothecation of Northern Trust securities, and trading in options, warrants, puts and calls or similar instruments on Northern Trust securities, except for pledging or hypothecation in connection with the cashless exercise of Northern Trust stock options.

Compensation and Benefits Committee Interlocks and Insider Participation

The Compensation and Benefits Committee of the board of directors consists of Directors Chabraja (Chair), Crown, Jain, Mooney, and Rowe. None of the members of the Compensation and Benefits Committee is or ever was an officer or employee of the Corporation or any of its subsidiaries. In addition, none of our executive officers served on any compensation committee or any board of directors of another company, of which any of our directors was also an executive officer. For information relating to any transactions between members of the Compensation and Benefits Committee and the Corporation, please refer to [Related Person Transaction Policy](#) above.

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The following table shows the beneficial ownership of the Corporation's common stock for each director and director nominee, each executive officer named in the Summary Compensation Table included elsewhere in this proxy statement, and all directors and executive officers of the Corporation as a group, as of January 1, 2013, unless otherwise indicated.

Name	Common Stock (1) and Stock Units (2) Owned as of January 1, 2013			
	No. of Shares	Percent of Class	No. of Stock Units	No. of Performance Stock Units (3)
Linda Walker Bynoe	2,000	*	13,988	
Nicholas D. Chabraja	11,073	*	3,397	
Susan Crown	22,400	*	20,517	
Steven L. Fradkin	496,789(4)	*	62,566	16,037
Dipak C. Jain	2,175	*	26,682	
Robert W. Lane	11,274	*	2,905	
Edward J. Mooney	0	*	17,321	
William L. Morrison	560,616(4)	*	71,994	26,728
Michael G. O'Grady	36,203(4)	*	32,234	16,037
Jose L. Prado	1,000	*	947	
John W. Rowe	11,000	*	33,731	
Jana R. Schreuder	360,453(4)	*	53,089	16,037
Martin P. Slark	2,849	*	1,920	
David H. B. Smith, Jr.	22,544(5)(6)(7)	*	1,920	
Charles A. Tribbett III	1,000	*	24,090	
Frederick H. Waddell	1,179,418(4)	*	260,347	53,456
All directors and executive officers as a group	4,368,365(4)(5)(6)	1.83%	864,034	198,552

(1) The information contained in this table was furnished to the Corporation by the individuals named in the table and reflects the SEC's definition of beneficial ownership. Except as noted below, the nature of beneficial ownership for shares shown in this table is sole voting and/or investment power (including shares as to which spouses and minor children of the individuals covered by this table have such power).

(2) All stock units shown in the table are vested, except for (i) 1,920.20 unvested stock units held by each non-employee director other than Mr. Prado, (ii) 947 unvested stock units held by Mr. Prado, and (iii) the following unvested stock units held by the executive officers named in the Summary Compensation Table on page 60 of this proxy statement (the "named executive officers"): Mr. Fradkin, 50,881 unvested stock units; Mr. Morrison, 60,881 unvested stock units; Mr. O'Grady, 32,234 unvested stock units; Ms. Schreuder, 50,881 unvested stock units; Mr. Waddell, 167,196 unvested stock units; and all directors and executive officers as a group, 609,532 unvested stock units. Stock

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units and performance stock units held by directors and executive officers do not have voting rights. Stock units held by the non-employee directors include stock units representing (i) deferred cash compensation which, when paid, will be paid out in cash based upon the then current value of the common stock and/or (ii) deferred stock units which will be distributed in stock. *See* Director Compensation Deferral of Compensation for additional information.

(3) The performance stock units reflected in the table as held by the named executive officers as of January 1, 2013 are unvested and subject to attainment of an established three-year performance goal.

(4) The number of shares shown includes shares issuable pursuant to stock options exercisable within 60 days after January 1, 2013, as follows: Mr. Fradkin, 426,980 shares; Mr. Morrison, 500,756 shares; Mr. O Grady, 36,203 shares; Ms. Schreuder, 326,893 shares; Mr. Waddell, 1,012,542 shares; and all directors and executive officers as a group, 3,813,062 shares.

(5) David H. B. Smith, Jr., as co-trustee with another individual, shares voting and investment power for 500 shares held in a trust.

(6) Mr. Smith, as co-trustee with another individual, shares voting and investment power for 1,704 shares held in trust.

(7) Mr. Smith is a beneficiary of a trust that holds 1,362,880 shares, but he has no investment or voting power with respect to the shares held in the trust. These shares are not reflected in the table.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Corporation's directors and executive officers, and beneficial owners of more than 10% of the Corporation's stock, if any, to file with the SEC initial reports of ownership and reports of changes in ownership of any securities of the Corporation. Copies of these reports must also be provided to the Corporation.

To the Corporation's knowledge, in reliance on copies of the reports provided to the Corporation and written representations from reporting persons that no other reports were required, all the Corporation's directors, executive officers, and beneficial owners of more than 10% of the Corporation's stock made on a timely basis all filings required during 2012 and year to date 2013, except for the following: (a) Form 5 filed for Jose Luis Prado on January 4, 2013 that included a transaction that should have been reported by October 18, 2012; and (b) Form 4 filed for Richard D. Kukla on February 4, 2013 that included a transaction that should have been reported by February 1, 2013.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following table includes information concerning common stock ownership of stockholders who were the beneficial owners of more than 5% of the outstanding shares of the Corporation's common stock as of January 1, 2013, unless otherwise indicated. The beneficial ownership information for the Bank relates to shares held by trusts and other fiduciary accounts for which the Bank and its affiliates individually acted as sole or co-fiduciary.

Name and Address	Common Stock Owned as of January 1, 2013	
	No. of Shares	Percent of Class
The Northern Trust Company (1) 50 South LaSalle Street Chicago, Illinois 60603	22,691,445	9.5%
T. Rowe Price Associates, Inc. (2) 100 E. Pratt Street Baltimore, Maryland 21202		