

SECURITIES AND EXCHANGE COMMISSION

FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

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FILER

NORTHERN TRUST CORP

CIK: **73124** | IRS No.: **362723087** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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SIC: **6022** State commercial banks

Business Address
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CHICAGO IL 60675
3126306000*

SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

 FORM S-8
 REGISTRATION STATEMENT

UNDER
 THE SECURITIES ACT OF 1933
 NORTHERN TRUST CORPORATION
 (Exact name of issuer as specified in its charter)

Delaware 36-2723087
 (State of Incorporation) (IRS Employer Identification No.)
 50 South LaSalle Street, Chicago, Illinois 60675

THE NORTHERN TRUST COMPANY THRIFT-INCENTIVE PLAN
 (Full Title of Plan)

William N. Setterstrom	Peter L. Rossiter, Esq.
The Northern Trust Company	Rossiter, Ritchie & Porter
50 South LaSalle Street	50 South LaSalle Street
Chicago, Illinois 60675	Chicago, Illinois 60675
(Names and Addresses of Agents for Service)	
(312) 630-6000	

 (Telephone number, including area codes, of agents for service)
 Approximate Date of Commencement of Proposed Sale to Public:
 From time to time in accordance with the
 terms of this Registration Statement

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
[S]	[C]	[C]	[C]	[C]
Common Stock, \$1.66 2/3 par value	186,697.78 (1)	53.5625 (1)	\$10,000,000 (1)	3,448.30 (1)
Interests in the Plan	(2)	(2)	(2)	(2)

(1) These shares of Common Stock represent the additional number of shares of

Common Stock with respect to which benefits may be granted under the Thrift-Incentive Plan. The shares are to be offered at prices not presently determinable. Pursuant to Rule 457(g), the offering price is estimated solely for the purpose of determining the registration fee and is based on the February 6, 1996 edition of The Wall Street Journal, which quoted Northern Trust Corporation Common Stock at 53 3/4 high and 53 3/8 low.

- (2) In addition, pursuant to Rule 416(c) under the Securities Act of 1933, this registration statement also covers an indeterminate amount of interests to be offered or sold pursuant to the employee benefit plan described herein.

GENERAL INSTRUCTIONS

E. REGISTRATION OF ADDITIONAL SECURITIES

The contents of the registration statement on Form S-8 (File No. 33-20362) filed by the registrant with the Securities and Exchange Commission on March 25, 1988 registering its Common Stock, \$3.33 1/3 (currently \$1.66 2/3) par value per share, issuable pursuant to The Northern Trust Company Thrift-Incentive Plan ("TIP"), the contents of Post-Effective Amendment No. 1 thereto, filed by the registrant with the Securities and Exchange Commission on June 6, 1988, the contents of the registration statement on Form S-8 (File No. 33-41501) filed by the registrant with the Securities and Exchange Commission on July 1, 1991 and the contents of the registration statement on Form S-8 (File No. 33-51971) filed with the Securities and Exchange Commission on January 20, 1994, registering its common stock, \$1.66 2/3 par value per share, issuable pursuant to TIP, are hereby incorporated by reference.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

All information required in this registration statement not included in the exhibits attached hereto or set forth on the signature page is set forth in the registration statement and post effective Amendment No. 1 thereto of the registrant on Form S-8 (File No. 33-20362) and the registration statements of the registrant on Form S-8 (Files No. 33-41501 and 33-51971), each of which are incorporated herein by reference.

ITEM 8. EXHIBITS.

The Exhibits filed herewith are set forth on the exhibit index filed as part of this Registration Statement on page S-5 hereof.

SIGNATURES

THE REGISTRANT

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago and State of Illinois on the 8th day of February, 1996.

NORTHERN TRUST CORPORATION
By /s/ Peter L. Rossiter

Peter L. Rossiter
Executive Vice President
General Counsel and Secretary

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated on the 8th day of February, 1996.

SIGNATURE

TITLE

WILLIAM A. OSBORN*

William A. Osborn

Chairman of the Board
President, Chief Executive
Officer and Director

BARRY G. HASTINGS*

Barry G. Hastings

President, Chief Operating
Officer and Director

PERRY R. PERO*

Perry R. Pero

Senior Executive Vice President
and Chief Financial Officer

HARRY W. SHORT*

Harry W. Short

Senior Vice President
and Controller

ROBERT S. HAMADA*

Director

Robert S. Hamada

ROBERT A. HELMAN* Director

Robert A. Helman

ARTHUR L. KELLY* Director

Arthur L. Kelly

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SIGNATURE TITLE

HAROLD BYRON SMITH, JR.* Director

Harold Byron Smith, Jr.

BIDE L. THOMAS* Director

Bide L. Thomas

*Peter L. Rossiter, pursuant to powers of attorney duly executed by each of the above Directors of Northern Trust Corporation and filed with the Securities and Exchange Commission in Washington, D.C., hereby executes this registration statement on behalf of each of the persons named above in the capacity set forth opposite his name.

/s/ Peter L. Rossiter

February 8, 1996

Peter L. Rossiter
(Attorney-in-fact)

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THE PLAN

Pursuant to the requirements of the Securities Act of 1933, the Plan has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chicago and State of Illinois on the 8th day of February, 1996.

THE NORTHERN TRUST COMPANY
THRIFT-INCENTIVE PLAN

By /s/ William N. Setterstrom

William N. Setterstrom
Chairman, Employee Benefit Administrative
Committee
Senior Vice President,
The Northern Trust Company

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EXHIBIT INDEX

EXHIBITS		SEQUENTIAL PAGE NO.
-----		-----
4.1	Portions of Restated Certificate of Incorporation of the Registrant, as amended, defining the rights of holders of its Common Stock	Previously Filed
4.2	The Northern Trust Company Thrift-Incentive Plan, as amended	
4.3	The Northern Trust Company Thrift-Incentive Plan Trust	
4.4	Beneficiary Designation	Previously Filed
4.5	Financial Hardship Withdrawal Request Form	
4.6	Withdrawal Direct Rollover Form	
4.7	Tax Notice Regarding Withdrawals	Previously Filed
4.8	Payout Authorization Form for Employee Terminating Service	
4.9	Tax Notice Regarding Distributions	
4.10	Loan Administration Guidelines	Previously Filed

- 4.11 Promissory Note and Truth-in-Lending Disclosure Statement
- 4.12 Rollover Request and Related Documents

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EXHIBIT INDEX (CONT.)

EXHIBITS -----	SEQUENTIAL PAGE NO. -----
4.13	Northern Express and TIP Transaction Guide
4.14	TIP Sourcebook
5.0	Opinion of Rossiter, Ritchie & Porter as to: (a) The shares of the Common Stock being registered, (b) Compliance of the Plan and Trust with requirements of ERISA which pertain thereto
13.0	Arthur Andersen LLP Report from 1994 Annual Report to Stockholders
22.0	List of Subsidiaries
23.1	Consent of Independent Public Accountants
23.2	Consent of Rossiter, Ritchie & Porter (contained in its opinion filed as Exhibit 5)
24.0	Power of Attorney

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The Northern Trust Company
 Thrift-Incentive Plan
 (As Amended and Restated Effective as of
 January 1, 1989)

The Northern Trust Company
 Thrift-Incentive Plan
 (As Amended and Restated Effective as of January 1, 1989)

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Article I. Name of Plan

1.1 Establishment and Last Amendment of the Plan

Effective April 1, 1958, The Northern Trust Company established a defined contribution profit sharing plan qualified under Internal Revenue Code section 401(a) known as "The Northern Trust Company Thrift-Incentive Plan" (hereinafter referred to as the "Plan"). The Plan is for the exclusive benefit of its Eligible Employees (defined below). The Plan was last restated, effective as of July 1, 1993, and was last amended as of September 21, 1993.

The Plan is hereby restated, effective as of January 1, 1989.

1.2 Purpose of the Plan

The purpose of this Plan is to permit Eligible Employees of the Company to make tax-deferred savings for use upon their retirement, death, or other separation from service.

1.3 Provisions of this Plan

The provisions of this Plan apply only to Members (or beneficiaries of Members) who are eligible to participate in the Plan on or after January 1, 1989. Except as so provided herein, any person who was covered under the Plan prior to January 1, 1989, and whose Vesting Service terminated prior to January 1, 1989, shall be entitled to receive under the Plan the rights and benefits, if any, in

accordance with the provisions of the Plan in effect on the date his or her Vesting Service terminated.

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Article II. Definitions

2.1 Definitions

The following terms shall have the meaning specified in this Article II.

- (a) "ACCOUNT" means the separate accounts maintained for each Member which represents his or her total proportionate interest in the Thrift Trust as of any Valuation Date and which consists of the sum of the Member's--
 - (1) After-Tax Deposit Account,
 - (2) Basic Contribution Account,
 - (3) Matching Contribution Account,
 - (4) Before-Tax Deposit Account,
 - (5) ESOP Contribution Account,
 - (6) Rollover Deposit Account,
 - (7) Acquired Company Prior Plan Account.
- (b) "ACQUIRED COMPANY PRIOR PLAN ACCOUNT" means the aggregate of an acquired company's contributions (other than employer match), as adjusted, that have been transferred by an Employee to an Investment Fund from a retirement plan maintained by an Affiliate of the Company prior to its becoming an Affiliate or to such a plan that has been merged into the Plan.
- (c) "ACTUAL CONTRIBUTION PERCENTAGE" for a specified group of Participants for a given Plan Year means the average of the ratios, calculated separately for each Participant in such group, of: (a) the sum of the after-tax deposits, if any, contributed by the Participant to the Plan for such Plan Year and the Matching Contributions, if any, contributed by the Company on behalf of such Participant to the Plan for such Plan Year, to (b) the Participant's Salary for the period of time during such Plan Year in which he was a Participant.
- (d) "ACTUAL DEFERRAL PERCENTAGE" for a specified group of Participants for a given Plan Year means the average of the ratios, calculated separately for each Participant in such group, of: (a) the Salary Reduction Contributions, contributed by the Company on behalf of each such Participant for such Plan Year to (b) the Participant's Salary for the period of time during such Plan Year in which he was a Participant.
- (e) "AFFILIATE" means any corporation which is a member of the same controlled group of corporations (within the meaning of Code Section 414(b)) as the Company, or an unincorporated trade or business which is

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under common control with the Company (within the meaning of Code Section 414(c)), any organization which is a member of an affiliated service group (within the meaning of Code Section 414(m)) of which the Company is also a member, and any other entity required to be aggregated under Code Section 414(o). For purposes of section 2.1(nn), this section 2.1(e) shall be modified as provided in section 415(h) of the Code.

- (f) "AFTER-TAX DEPOSIT ACCOUNT" means the aggregate of a Member's deposits, as adjusted, to an Investment Fund made pursuant to section 4.1 from the Member's Salary which is subject to federal income tax in the year paid.
- (g) "AGGREGATE LIMIT" means the sum of (1) 125 percent of the greater of (I) the Actual Deferral Percentage of non-Highly Compensated Participants for the Plan Year or (II) the Actual Contribution Percentage of non-Highly Compensated Participants under the Plan subject to Code Section 401(m), and (2) the lesser of 200% or two plus the lesser of such Actual Deferral Percentage or Actual Contribution Percentage. "Lesser" is substituted for "greater" in (1) above, and "greater" is substituted for "lesser" after "two plus the" in (2) if it would result in a larger Aggregate Limit.
- (h) "ANNUAL ADDITIONS" means the total of: (1) Company or Participating Employer contributions allocated to a Participant under this Plan and any Related Plan during any Limitation Year; (2) the amount of Employee contributions made by the Participant in this Plan and any Related Plan; and (3) Forfeitures allocated to a Participant under this Plan and any Related Plan.
- (i) "BASIC CONTRIBUTION ACCOUNT" means the aggregate of the Company's contributions, as adjusted, made for Plan Years prior to January 1, 1989 to an Investment Fund on behalf of a Member.
- (j) "BEFORE-TAX DEPOSIT ACCOUNT" means the aggregate of the deposits, as adjusted, to an Investment Fund made pursuant to section 4.1 in which a Member elected to have the Company contribute amounts to the Thrift Trust for his or her benefit in lieu of the Company paying the amounts to the Member in cash or depositing the amounts to the Member's After-Tax Deposit Account.
- (k) "BENEFICIARY" means the person or persons designated as such by the Participant on a form supplied by the Committee, provided that, a

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married Participant may designate a Beneficiary other than the Participant's Spouse only if the requirements of section 8.2 are met. Upon the death of a Participant, if there is no designated Beneficiary then living, or if the designation is for any reason ineffective, as determined by the Committee, the Participant's Beneficiary shall be the Participant's

Spouse, or if none, as directed in the Participant's will admitted to probate, or if there is no will, to the Participant's estate to be distributed as provided by the laws of descent of the state of Illinois in effect at the time of the Participant's death.

- (l) "BOARD OF DIRECTORS" OR "BOARD" means the Board of Directors of the Company.
- (m) "BREAK IN SERVICE" means the event described in section 3.5.
- (n) "CODE" means the Internal Revenue Code of 1986, as amended.
- (o) "COMMITTEE" means the Employee Benefit Administrative Committee of the Company, as constituted from time to time, which has the responsibility for administering the Plan and which shall be deemed to be the Plan Administrator and the Named Fiduciary for the purposes of ERISA.
- (p) "COMPANY" means The Northern Trust Company, an Illinois state bank, and its successors and assigns.
- (q) "EFFECTIVE DATE" means January 1, 1989.
- (r) "ELIGIBLE EMPLOYEE" means any Employee of the Company or a Participating Employer other than (1) an Employee employed by any office or branch of the Company located in a foreign country who, as to the United States, is a nonresident alien, and (2) an Employee who (A) as to the United States, is a foreign national, (B) is working for the Company or a Participating Employer at a location in the United States, and (C) is covered by a retirement plan sponsored by a non-U.S. Affiliate in the country in which an Affiliate is located.
- (s) "EMPLOYEE" means an individual employed by the Company or an Affiliate. A person who is considered a "leased employee" (as defined below) of the Company or an Affiliate shall not be considered an Employee for purposes of the Plan. If such a person subsequently becomes an Employee, and thereafter participates in the Plan, that person shall receive Vesting Service for employment as a leased employee

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except to the extent that the requirements of Section 414(n) (5) of the Code were satisfied with respect to such Employee while he or she was a leased employee. For purposes of the Plan a leased employee is a person who is not employed by the Company or an Affiliate but who performs services for the Company or an Affiliate pursuant to an agreement between the Company or an Affiliate and a leasing organization, other than a person described in Code section 414(n) (5), if such person performed the services for a year and the services are of a type historically performed by employees.

- (t) "ERISA" means the Employee Retirement Income Security Act of 1974, as

amended.

- (u) "ESOP CONTRIBUTION ACCOUNT" means the aggregate of transfers, as adjusted, to an Investment Fund from a Member's account in The Northern Trust Employee Stock Ownership Plan in accordance with section 5.7.
- (v) "FORFEITURES" means the unvested portion of a Participant's Accounts that becomes forfeited pursuant to section 8.3.
- (w) "FORMER PARTICIPANT" means a person who has been a Participant but who has incurred a Break in Service.
- (x) "HOUR OF SERVICE" means an hour for which an Employee is paid or entitled to payment for the performance of duties for the Company or an Affiliate.
- (y) "HIGHLY COMPENSATED PARTICIPANT" means an Eligible Employee who, during the current Plan Year or the preceding Plan Year, (a) was at any time a five-percent owner of the Company, (b) received compensation (as defined in section 5.2(f)(3)) from the Company in excess of \$75,000 (or such greater amount provided by the Secretary of the Treasury pursuant to Section 414(q) of the Code), (c) received compensation from the Company in excess of \$50,000 (or such greater amount provided by the Secretary of the Treasury pursuant to Section 414(q) of the Code) and was in the top paid group of Employees for such Plan Year, or (d) was at any time an officer of the Company and received compensation from the Company greater than 50% of the amount in effect under Section 415(b)(1)(A) of the Code for such Plan Year. The provisions of Section 414(q) of the Code shall apply in determining whether a Participant is a Highly Compensated Participant. Highly Compensated Participants shall be identified based upon only the current Plan Year to the extent

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permitted by Section 414(q) of the Code and regulations issued thereunder.

- (z) "INACTIVE PARTICIPANT" means a person who was a Participant who is transferred to and is in a position of employment either--
 - (1) as an Employee where he or she is not an Eligible Employee; or
 - (2) as an Employee of an Affiliate which has not adopted this Plan.
- (aa) "INVESTMENT FUND" and "FUND" mean any Fund of the Thrift Trust described in section 6.1.
- (bb) "LIMITATION YEAR" means the 12-consecutive-month period to be used in determining the Plan's compliance with section 415 of the Code and the regulations thereunder. The Limitation Year shall be the calendar year unless the Company elects to use another 12-month period.

- (cc) "MATCHING CONTRIBUTION ACCOUNT" means the aggregate of the Company's contributions, as adjusted, to an Investment Fund on behalf of a Member made pursuant to section 5.1.
- (dd) "MEMBER" means either a Participant, Inactive Participant, or a Former Participant.
- (ee) "NORMAL RETIREMENT DATE" means the later of (1) the date on which a Member attains 65 years of age, or (2) the fifth anniversary of the date on which the Member became eligible to make contributions under section 3.1 or under any plan with respect to amounts held in the Acquired Company Prior Plan Account on behalf of such Member.
- (ff) "ONE-YEAR BREAK IN SERVICE" means a period of time described in section 3.6.
- (gg) "PARENTAL LEAVE" shall mean an absence from employment with the Company or an Affiliate because of (1) the Employee's pregnancy, (2) the birth of the Employee's child, (3) the placement of a child with the Employee in connection with the Employee's adoption of the child, or (4) caring for such child immediately following such birth or placement, provided that, the Employee furnishes to the Company or Affiliate such timely information that the Company or Affiliate may reasonably require to establish (A) that the absence from work is for one of the

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reasons specified and (B) the number of days for which there was such an absence.

- (hh) "PARTICIPANT" means an Eligible Employee who meets the requirements of section 3.1 and who is participating in the Plan.
- (ii) "PARTICIPATING EMPLOYER" means any Affiliate which has adopted and is participating in the Plan in accordance with Article XII.
- (jj) "PENSION PLAN" means The Northern Trust Company Pension Plan.
- (kk) "PERMANENT DISABILITY" means any physical or mental injury, illness or incapacity which, in the sole judgment of the Committee based on the medical reports of a physician selected by the Committee and other evidence satisfactory to the Committee, currently and permanently prevents an Employee from satisfactorily performing the Employee's usual duties for the Company or an Affiliate or the duties of such other position or job which the Company or an Affiliate makes available to the Employee and for which such Employee is qualified by reason of training, education or experience. To the extent that a disability case manager determines whether an Employee is permanently disabled under the Company's short or long-term disability plan, such determination shall be binding with respect to the question of whether the Employee has incurred a Permanent Disability hereunder.

- (ll) "PLAN" means The Northern Trust Company Thrift-Incentive Plan, as amended.
- (mm) "PLAN YEAR" means the calendar year.
- (nn) "RELATED PLAN" means any other defined contribution plan (as defined in section 415(k) of the Code) maintained by the Company or an Affiliate.
- (oo) "ROLLOVER DEPOSIT ACCOUNT" means the aggregate of a Member's rollover deposits, as adjusted, to an Investment Fund made pursuant to section 4.1.
- (pp) "SALARY" means the base salary paid by the Company to a Participant, plus any amounts paid as shift differential, but exclusive of severance pay or any other types of compensation. Base salary includes amounts which the Participant elects under section 4.1 to have contributed to his or her Before-Tax Deposit Account and any amounts contributed by or on behalf of the Participant to a cafeteria plan established by the Company.

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Notwithstanding any provision of this Plan to the contrary, a Participant's Salary for any calendar year prior to January 1, 1994, shall not exceed \$200,000 (or such other amount as established by the Secretary of the Treasury pursuant to section 401(a)(17) of the Code).

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, the Salary of each Employee taken into account under the Plan shall not exceed the annual compensation limit under section 401(a)(17) of the Code. The annual compensation limit under section 401(a)(17) is \$150,000, as adjusted by the Commissioner of the Internal Revenue Service for increases in the cost of living in accordance with Code section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Salary is determined (the "determination period") beginning in that calendar year. If a determination period consists of fewer than 12 months, the annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

In determining the Salary of a Participant for purposes of this limitation, the rules of Code section 414(q)(6) shall apply, except that, in applying such rules, the term "family" shall include only the Spouse of the Participant and any lineal descendants of the Participant who have not attained age 19 before the close of the Plan Year. If, as a result of the application of these rules, the adjusted dollar limitation of Code section 401(a)(17) applicable to family members is exceeded, then the dollar limitation shall be prorated among the affected individuals in proportion to each such individual's Salary as determined under this section 2.1(pp) before applying the limitation.

- (qq) "SALARY REDUCTION AGREEMENT" means an agreement entered by a Participant pursuant to Section 4.1 of the Plan.
- (rr) "SALARY REDUCTION CONTRIBUTIONS" means amounts contributed by the Company on behalf of Participants pursuant to the provisions of Section 4.1 of the Plan.
- (ss) "SEVERANCE ELIGIBLE PARTICIPANT" means, effective July 1, 1995, a Participant whose employment has terminated in a manner entitling such Participant to severance pay under any formal severance plan, program or arrangement maintained by The Northern Trust Company providing severance benefits to certain employees as a result of job elimination or

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termination of employment due to the acquisition or disposition of a business entity.

- (tt) "SPOUSE" means the person to whom an Employee is married or, in the case of a deceased Employee, the person to whom an Employee was married on the date of the Employee's death.
- (uu) "SUPPLEMENTAL COMPANY CONTRIBUTION" means a contribution made by the Company pursuant to the provisions of Section 4.6 of the Plan.
- (vv) "THRIFT TRUST" means the trust created by a Declaration of Trust executed by The Northern Trust Company as of April 1, 1958 for purposes of the Plan, as amended. The Thrift Trust forms a part of the Plan.
- (ww) "TRUSTEE" means The Northern Trust Company as Trustee of the Thrift Trust.
- (xx) "VALUATION DATE" means a date as of which the Investment Funds are valued and the accounts of Participants adjusted. Prior to March 14, 1995, Valuation Dates shall be the last day of each calendar month, unless otherwise determined from time to time by the Committee. During March of 1995, the Plan shall be converted to a daily valuation system, and "Valuation Date" shall mean each business day from and after March 14, 1995.
- (yy) "VALUATION PERIOD" means the period commencing on the day following a Valuation Date and ending on the next Valuation Date.

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- (zz) "VESTED PORTION" means that percentage of a Participant's Matching Contribution Account constituting the Participant's irrevocable right to such Account, as indicated in the following vesting schedule:

=====

PARTICIPANT'S YEARS
OF VESTING SERVICE WITH THE COMPANY VESTED
PERCENTAGE

Less than 2 years	0%
2 years but less than 3	20%
3 years but less than 4	40%
4 years but less than 5	60%
5 years but less than 6	80%
6 or more years	100%

A Participant is fully vested in his or her Matching Contribution Account after the Participant becomes Permanently Disabled, dies, or reaches Normal Retirement Age. A Participant is always fully vested in his or her After-Tax Deposit Account, Before-Tax Deposit Account, Rollover Deposit Account, ESOP Contribution Account, and Basic Contribution Account. Unless otherwise provided, the Vested Portion of a Participant's balance in the Acquired Company Prior Plan Account shall be determined based on the appropriate vesting provisions in the Plan to which such balances are attributable.

UNVESTED PORTION means the remaining Account balance after subtracting the Vested Portion.

(aaa) "VESTING SERVICE" means the period of employment credited under section 3.4.

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Article III. Participation and Service

3.1 Participation

- (a) An Eligible Employee shall first become eligible to have contributions made on his or her behalf after the latest of (1) the first day of the calendar quarter following the day on which he or she has completed one full year of Vesting Service, (2) the day on which he or she becomes an Eligible Employee, or (3) his or her twenty-first birthday.
- (b) If an Eligible Employee does not begin to have contributions made on his or her behalf when first eligible under section 3.1(a), he or she may subsequently elect to have contributions made on his or her behalf effective (i) before July 1, 1993, as of the first day of any calendar quarter after meeting such requirements, (ii) from July 1, 1993 through March 1, 1995, as of the first day of any month after meeting such requirements, or (iii) effective April 1, 1995, as of the first day of any

payroll period after meeting such requirements.

- (c) Subject to section 2.1(k), at the time a Participant elects to have contributions made under section 4.1, the Participant may designate a Beneficiary to receive any benefit payable under the provisions of section 8.2. At any time and from time to time thereafter, the Participant may make, change or revoke a Beneficiary designation. No designation, revocation, or change shall be effective unless made in writing and delivered to the Committee prior to the Participant's death.
- (d) An Eligible Employee may agree with the Company that the Eligible Employee shall not participate in the Plan.

3.2 Duration of Participation

An Eligible Employee who becomes a Participant shall continue to be a Participant or Inactive Participant until he or she incurs a Break in Service, and also shall continue to be a Member thereafter for as long as he or she is entitled to receive any benefits hereunder. After receiving all benefits to which he or she is entitled hereunder, he or she shall cease to be a Member unless and until he or she thereafter becomes eligible to again become a Participant.

3.3 Transferred or Rehired Employees

The following rules shall be applicable to Employees who (a) become Participants because of transfer to a status qualifying for coverage under the Plan, (b) become Inactive Participants, (c) transfer to a status not qualifying for

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coverage after meeting the requirements of section 3.1 but before becoming Participants, or (d) are rehired by the Company:

- (a) An Employee who shall be transferred into employment where he or she becomes an Eligible Employee hereunder shall be credited with Vesting Service computed for all his or her employment with the Company and any Affiliate, before and after such transfer.
- (b) Any Participant who shall be transferred into employment as an Employee where he or she becomes an Inactive Participant shall continue to receive credit for Vesting Service under this Plan during the period he or she is an Inactive Participant.
- (c) Any Eligible Employee who shall meet the requirements of section 3.1 but shall be transferred into employment as an Employee but not as an Eligible Employee, before becoming a Participant, shall no longer be eligible to elect to have contributions made on his or her behalf hereunder. Any such Employee shall continue to accrue Vesting Service during the period computed for all of the Employee's employment with the Company and any

Affiliate.

(d) An Employee who has a Break in Service and is subsequently reemployed by the Company or an Affiliate shall be considered a new Employee for purposes of section 3.1, unless he or she was credited with at least one year of Vesting Service prior to his or her Break in Service. In such case, the Employee shall become eligible to have contributions hereunder made on his or her behalf (i) before January 1, 1995, on the first day of the first Valuation Period in which such person is so reemployed, and (ii) from and after January 1, 1995, on the first day of the first payroll period following such reemployment.

(1) By written notice to the Committee after his or her reemployment, an Employee who has not had five consecutive One-Year Breaks in Service may deposit with the Trustee an amount which shall be equal to the aggregate value of the distributions from his or her Account at the time of his or her previous Break in Service. All deposits must be made in cash and in a single lump sum. The deposits must be made within five years after the Employee is reemployed.

The Trustee shall allocate an Employee's deposits made to satisfy the requirements of this section 3.3(d) as follows:

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(A) An Employee's deposits which are rollover deposits under section 4.1 shall be allocated to the Employee's Rollover Deposit Account.

(B) All other deposits shall be allocated to the Employee's After-Tax Deposit Account.

(2) In the case of a reemployed Employee who does not have five consecutive One-Year Breaks in Service, the Company shall contribute to the Matching Contribution Account of such Employee the amount, if any, forfeited at the time of the Employee's termination of service, if and only if the Employee makes the deposits permitted under paragraph (1) above or the Employee did not receive a distribution at or after the time of his or her previous termination of service. The Company's contribution shall be made concurrently with the Employee's repayment if applicable, otherwise upon the date of his or her reemployment.

For each other reemployed Employee, his or her beginning balance in each of his or her Accounts shall be zero, and his or her previous Forfeiture, if any, shall not be restored.

3.4 Vesting

An Employee shall receive credit for Vesting Service for the period commencing

with the Employee's date of hire with the Company or an Affiliate and ending on the date the Employee incurs a Break in Service. Vesting Service shall be calculated in accordance with reasonable and uniform standards and policies adopted by the Company from time to time, which standards and policies shall be consistently observed subject, however, to the following:

- (a) Vesting Service shall be computed on the following bases: (i) prior to July 1, 1993, an Employee shall receive credit for each calendar quarter during which the Employee earned at least one (1) Hour of Service or otherwise would receive credit for Vesting Service pursuant to subsection (a) above; and (ii) from and after July 1, 1993, an Employee shall receive credit for each calendar month during which the Employee earned at least one (1) Hour of Service or otherwise would receive credit for Vesting Service pursuant to subsection (b) below.
- (b) An Employee shall earn Vesting Service for all periods of active employment with the Company or an Affiliate, and for the following periods that are not active employment but that precede a Break in Service:

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- (i) an approved unpaid leave of absence from the Company or an Affiliate that is granted according to uniform and nondiscriminatory standards, but only if the Employee returns to work with the Company or an Affiliate upon the termination of such leave of absence;
 - (ii) effective August 5, 1993, an absence from work with the Company or an Affiliate under the Family and Medical Leave Act of 1993, but only if the Employee returns to work with the Company or an Affiliate upon the termination of such period of absence;
 - (iii) a period of up to one (1) year during which an Employee is on a Parental Leave;
 - (iv) an absence from work with the Company or an Affiliate on account of military service with the armed forces of the United States, but only if the Employee reports for work within the period required under law pertaining to veteran's reemployment rights.
- (c) If an Employee incurs a Break in Service, but returns to employment with the Company or an Affiliate prior to incurring a One-Year Break in Service (as defined in Section 3.6), the period commencing on the date the Break in Service began and ending on the date such Employee is reemployed shall be counted as Vesting Service. Notwithstanding the preceding sentence, if the Break in Service occurs during a period of absence from active employment, the Employee shall not receive Vesting Service under the preceding sentence unless such Employee returns to employment before the first (1st) anniversary of the first day of such absence. If an Employee suffers a One-Year Break in Service and the Employee is thereafter reemployed by the Company or an Affiliate, such Employee's Vesting Service before such One-

Year Break in Service shall be added to the Employee's Vesting Service after reemployment.

- (d) A Participant's Vesting Service shall not include periods of service with an entity prior to the date it became an Affiliate, except as provided in Schedule A hereto.
- (e) A Severance Eligible Participant shall receive credit for one (1) year of Vesting Service beyond that earned pursuant to the foregoing.
- (f) All periods of Vesting Service shall be aggregated; provided, however, that a Participant shall not receive multiple credit for Vesting Service with respect to any single period.

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3.5 Break in Service

- (a) A "Break in Service" shall occur on earliest of:
 - (i) the date the Employee quits, is discharged, retires, or dies; or
 - (ii) the first anniversary of the date the Employee separates from service with the Company or an Affiliate for any reason other than the reasons set forth in paragraph (i) above, such as vacation, holiday, sickness, disability, leave of absence or layoff.
- (b) The fact that an Employee separates from service with the Company or an Affiliate on account of military service with the armed forces of the United States shall not constitute a Break in Service unless the Employee fails to report to work within the period required under law pertaining to veteran's reemployment rights, in which case the Break in Service shall occur on the earlier of (i) the expiration of the period by which such Employee was required by law to report back to work or (ii) the first anniversary of the date the Employee separated from service.
- (c) A Break in Service shall end on the date on which an Employee again performs an Hour of Service for the Company or an Affiliate.
- (d) The fact that an Employee who is a Participant becomes an Inactive Participant shall not constitute a Break in Service, but the foregoing rules shall continue to apply to such an Employee during the period he or she is an Inactive Participant.
- (e) Effective August 5, 1993, the fact that an Employee is absent from work under the Family and Medical Leave Act of 1993 shall not constitute a Break in Service if the Employee returns to work with the Company or an Affiliate after such period of absence.

3.6 One-Year Break in Service

- (a) The term "One-Year Break in Service" means each 12-consecutive-month period beginning on the date an Employee incurs a Break in Service under Section 3.5 and ending on each anniversary of such date, provided that such Employee does not perform an Hour of Service for the Company or any Affiliate during such period.
- (b) Solely for purposes of determining whether a One-Year Break in Service has occurred, but not for purposes of determining Vesting Service or Credited Service, in the case of an Employee who is on Parental Leave, the Employee's Break In Service shall be deemed to occur on the second (2nd)

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anniversary of the first day of such absence, provided the Employee does not perform an Hour of Service for the Company or any Affiliate during such period of absence. The period of time between the first (1st) and second (2nd) anniversaries of a Parental Leave shall not be counted as a Break in Service, Vesting Service or Credited Service.

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Article IV. Participant Salary Reduction Contributions

4.1 Participant Salary Reduction Contributions

An Eligible Employee who meets the requirements of section 3.1 (or upon reemployment, section 3.3) may enter into a Salary Reduction Agreement, pursuant to which the Employee authorizes the Company to deduct an amount of money from the Employee's Salary and deposit it with the Trustee for investment as the Employee shall have directed as provided in section 6.3. A Salary Reduction Agreement shall be in such written, electronic or other form, as the Committee shall establish, and shall be entered into on or before such reasonable and nondiscriminatory deadline as is specified by the Committee. Subject to section 4.7, the amount elected must equal 1 percent of the Employee's Salary or any multiple thereof not exceeding 12 percent. The amount shall be deposited to the Employee's After-Tax Deposit Account or to his or her Before-Tax Deposit Account, or partly to each in whole percentages, as designated by the Employee. Deposits to an Employee's Before-Tax Deposit Account in a calendar year may not exceed \$7,627 (less any other contributions made to other plans qualified under section 401(k) of the Internal Revenue), adjusted for increases in the cost of living as provided in Code section 415(d), and any excess deposits shall be made to his or her After-Tax Deposit Account. Salary Reduction Contributions by an Employee under this section 4.1 may be suspended pursuant to section 8.8(b)(2).

Amounts deposited to the Employee's Before-Tax Deposit Account pursuant to this section 4.1 shall be considered as contributions made by the Company on behalf of the Employee to the Thrift Trust under a qualified cash or deferred arrangement as defined in section 401(k)(2) of the Code so that the amounts will not be included in the Employee's income for federal income tax purposes in the

year of contribution. Amounts deposited to the Employee's After-Tax Deposit Account shall be considered as deposits made by the Employee from his or her Salary which is subject to federal income tax in the year paid.

With authorization by the Committee, an Eligible Employee may make a rollover deposit to the Plan from a qualified plan, an employee annuity, an individual retirement account, or an individual retirement annuity, as described in sections 402(a)(5), 403(a)(4), and 408(d)(3) of the Code. The amount shall be deposited in cash to the Employee's Rollover Deposit Account. An Eligible Employee who is not otherwise a Participant in the Plan shall be considered as a Participant solely for purposes of his or her Rollover Deposit Account. The Committee shall authorize and regulate the making of rollover deposits in accordance with uniform and nondiscriminatory rules.

4.2 Changing Rate of Salary Reduction Contributions

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A Participant may change the rate of or terminate his or her Salary Reduction Contributions as of the first day of any subsequent Valuation Period by entering into a new Salary Reduction Agreement; provided, however, that no Salary Reduction Agreements designating a change or termination shall be accepted during February 1995. Any new or changed rate shall comply with the requirements of section 4.1. Changes may be effected no more than once each payroll period. Before January 1, 1995, changes may be made no more than 6 times in a calendar year. Changes shall be subject to such deadlines, and shall be in such form as the Committee shall determine.

4.3 Limitations on Salary Reduction Contributions

- (a) Notwithstanding anything to the contrary contained elsewhere in the Plan or contained in any Salary Reduction Agreement, but subject to section 4.7, all Salary Reduction Agreements entered into with respect to any Plan Year shall be valid only if one of the tests set forth in subsection (b) of this section 4.3 is satisfied for such Plan Year. In determining whether such tests are satisfied, all contributions to a Before-Tax Deposit Account, and excess contributions of a Highly Compensated Participant to his or her After-Tax Deposit Account, if any, made with respect to such Plan Year shall be considered.
- (b) For each Plan Year the Actual Deferral Percentage for Highly Compensated Participants shall bear to the Actual Deferral Percentage for all other Participants a relationship that satisfies either of the following tests:
 - (i) The Actual Deferral Percentage for Highly Compensated Participants is not more than the Actual Deferral Percentage of all other Participants multiplied by 1.25; or
 - (ii) The Actual Deferral Percentage for Highly Compensated Participants is not more than the Actual Deferral Percentage for all other

Participants multiplied by two and the excess of the Actual Deferral Percentage for the group of Highly Compensated Participants over that of all other Participants is not more than two percentage points.

- (c) If at the end of any Plan Year neither of the tests set forth in subsection (b) of this section 4.3 is satisfied for such Year, then:
- (i) Salary Reduction Agreements entered into for that Plan Year by Highly Compensated Participants shall be valid only to the extent permitted by one of the tests set forth in subsection (b) of this section, and Salary Reduction Contributions made by the Company

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for such Plan Year for Highly Compensated Participants shall be reduced in the manner set forth in subsection (c) (ii) to the extent necessary to comply with one of the tests set forth in subsection (b) of this Section. All Salary Reduction Contributions so reduced, adjusted for earnings, gains and losses allocable thereto, shall be allocated and distributed in the manner provided in section 4.4.

- (ii) Reductions pursuant to subsection (i) above shall be effected with respect to Highly Compensated Participants pursuant to the following procedure: The Actual Deferral Percentage of the Highly Compensated Participant with the highest Actual Deferral Percentage shall be reduced to the extent necessary to cause such Highly Compensated Participant's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Highly Compensated Participant with the next highest Actual Deferral Percentage. This process shall be repeated until the Plan satisfies one of the tests set forth in subsection (b) for such Plan Year.
- (iii) Salary Reduction Agreements entered into by all Participants who are not Highly Compensated Participants shall be valid and Salary deferral contributions made by the Company for such Participants shall not be changed.

The calculations, reductions and allocations required by this section 4.3 and section 4.4 shall be made by the Company with respect to a Plan Year at any time prior to the close of the following Plan Year.

- (d) If at any time during a Plan Year the Company, in its sole discretion, determines that neither of the tests set forth in subsection (b) of this section 4.3 may be met for such Plan Year, then:
- (i) The Committee shall have the unilateral right during the Plan Year to require the prospective reduction, for the balance of such Year or any part thereof, of the percentage of the Salary of Highly Compensated Participants that may be subject to Salary Reduction

Agreements. Such reductions shall be made to the extent necessary, in the discretion of the Committee, to assure that one of the tests set forth in subsection (b) of this section 4.3 shall be met for the Plan Year and shall be based upon estimates made from data available to the Committee at any time during the Plan Year.

- (ii) Reductions pursuant to subsection (i) above shall be effected with respect to Highly Compensated Participants pursuant to the following

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procedure: The Actual Deferral Percentage of the Highly Compensated Participant with the highest Actual Deferral Percentage shall be reduced to the extent necessary to cause such Highly Compensated Participant's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Highly Compensated Participant with the next highest Actual Deferral Percentage. This process shall be repeated to the extent necessary to assure that one of the tests set forth in subsection (b) shall not be exceeded for such Plan Year.

- (e) To the extent permitted, the limitations set forth in this section 4.3 shall be adjusted in connection with contributions made pursuant to section 4.7.

4.4 Recharacterization and Return of Certain Salary Reduction Contributions

If a Salary Reduction Contribution made by the Company for a Highly Compensated Participant is reduced for a Plan Year pursuant to Section 4.3(c), the amount so reduced shall be allocated and distributed, at any time prior to the close of the following Plan Year, as follows:

- (a) To the extent permitted by regulations issued by the Secretary of the Treasury and as elected by the Highly Compensated Participant, if the Participant has not made deposits to his or her After-Tax Deposit Account equal to the maximum amount permitted under the Plan, the amount reduced pursuant to section 4.3(c), adjusted for earnings, gains and losses allocable thereto for the Plan Year, shall be deemed to be after-tax deposits made by the Participant and shall (within the limits contained in the Plan) be allocated to the Participant's After-Tax Deposit Account; or
- (b) To the extent that the procedure set forth in subsection (a) of this Section is not elected by the Highly Compensated Participant, or if the Highly Compensated Participant makes or is deemed to have made deposits to his or her After-Tax Deposit Account equal to the maximum amount permitted by the Plan (through Salary Reduction Contributions made pursuant to Article IV of the Plan, pursuant to the operation of subsection (a), or both), any portion of the amount so reduced pursuant to Section 4.3(c) that is not allocated to the Participant's After-Tax Deposit Account pursuant to subsection (a) of this Section 4.4, adjusted for earnings, gains and losses allocable thereto for the Plan Year, pursuant to Section 401(k)(8) of the

Code, shall be paid directly to the applicable Highly Compensated Participant.

4.5 Treatment of Associated Matching Contribution

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Any Matching Contribution that is associated with a Salary Reduction Contribution made by the Company for a Highly Compensated Participant that is reduced for a Plan Year pursuant to Section 4.3(c), shall continue to be treated as a Matching Contribution, subject to Section 5.5.

4.6 Supplemental Company Contributions

The Company may contribute to the Thrift Trust with respect to any Plan Year a Supplemental Company Contribution in such amount as the Committee may determine. Supplemental Company Contributions may be made to the Before-Tax Deposit Accounts of Participants who are not Highly Compensated Participants only if, and to the extent that, such Contributions are necessary to satisfy one of the tests contained in section 4.3(b) of the Plan. The Supplemental Company Contribution for any Plan Year shall be allocated to the Before-Tax Deposit Accounts of Participants who are not Highly Compensated Participants in the manner in which the Company shall determine in its sole discretion. Upon allocation to the Before-Tax Deposit Accounts of such Participants, the Supplemental Company Contribution shall be considered as Salary Reduction Contributions for all purposes of the Plan other than for purposes of sections 8.7 and 8.8 of the Plan and for purposes of determining the amount of Matching Contributions made on such Participant's behalf pursuant to section 4.4, and shall be subject to all of the provisions of the Plan regarding Salary Reduction Contributions. The Company shall pay to the Thrift Trust its Supplemental Company Contribution with respect to a particular Plan Year within 90 days after the end of such Plan Year.

4.7 Uniformed Services Employment and Reemployment Rights Act

This Plan shall be administered consistent with the provisions of Uniformed Services Employment and Reemployment Rights Act of 1994, P.L. 103-353 ("USERRA"). As such, (i) an Eligible Employee who has returned to work within the period required under USERRA after he or she is released from military service with the armed forces of the United States, shall be permitted to make Salary Reduction Contributions to the extent required to comply with USERRA and other applicable laws and (ii) the Company shall make contributions to the extent necessary to comply with such law.

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Article V. Company Contributions

5.1 Company Matching Contribution

If an Employee is a Participant in the Plan during any part of a calendar year and, on December 31 of that calendar year, is either--

- (a) in the service of the Company or receiving Salary or on leave of absence, paid or unpaid, or
- (b) not in the service of the Company, but the Employee terminated his or her service with the Company during the calendar year by reason of Permanent Disability, death, normal or early retirement under the Pension Plan, any other retirement after his or her Normal Retirement Date, or under circumstances which he or she is a Severance Eligible Participant,

then the Employee is eligible to have the Company make a Matching Contribution to the Employee's Matching Contribution Account for that calendar year. Subject to the provisions of sections 5.2, 5.4, and 5.5, the amount of the Matching Contribution for a calendar year shall be the applicable percentage of the maximum possible contribution, determined in accordance with the following two tables:

Table One

Maximum Possible Matching Contribution

MATCHABLE PARTICIPANT DEPOSITS FOR CALENDAR YEAR	MAXIMUM POSSIBLE PERCENT OF SALARY FOR CALENDAR YEAR WHICH MAY BE CONTRIBUTED BY COMPANY
1%	1.25%
2%	2.50%
3%	3.75%
4%	5.0%

"Matchable participant deposits" means the aggregate contributions deposited by a Participant to his or her After-Tax Deposit Account and Before-Tax Deposit Account during the calendar year which are matchable by the Company. Matchable participant deposits may include amounts contributed under section 4.7. The matchable participant deposits are calculated based on the percent of Salary deposited for each pay period in the calendar year. Matchable participant deposits that exceed 4 percent in any pay period are disregarded for this purpose; provided, however, that amounts in excess of 4 percent may be considered to the extent necessary to comply with section 4.7. The sum of these amounts is the aggregate matchable participant deposit for the calendar year.

The applicable percentage of the maximum possible contribution for a calendar year shall be determined by how close Northern Trust Corporation comes to attaining the earnings goal for the Corporation for the calendar year. The earnings goal for the calendar year shall be announced by the Company's Board of

Directors in the first quarter of the calendar year. The Corporation's earnings for the calendar year for purposes of the Company's Matching Contribution shall be determined by the Company's Board of Directors in its discretion, taking into consideration such factors and circumstances and including or excluding such items of income and expense as it deems appropriate, and shall be announced to Participants in the first quarter of the following year. After the end of the calendar year--

- (1) the Corporation's earnings for the calendar year shall be expressed as a percentage of the earnings goal for the year, and
- (2) the Company shall make a Matching Contribution to the Matching Contribution Account of a Participant or Former Participant eligible in accordance with the following Table Two:

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Table Two
 Applicable Percentage of
 Maximum Possible Contribution

PERCENTAGE OF EARNINGS GOAL ATTAINED BY CORPORATION (EARNINGS/ EARNINGS GOAL)	APPLICABLE PERCENTAGE OF MAXIMUM POSSIBLE CONTRIBUTION (PERCENTAGE OF TABLE ONE MAXIMUM POSSIBLE CONTRIBUTION WHICH COMPANY WILL CONTRIBUTE TO PARTICIPANT'S MATCHING CONTRIBUTION ACCOUNT)
100% or more	100%
99%	99%
98%	98%
97%	97%
96%	96%
95%	95%
94%	93%
93%	91%
92%	89%
91%	87%
90%	85%
89%	82%
88%	79%
87%	76%
86%	73%
85%	70%
84%	66%

83%	62%
82%	58%
81%	54%
80%	50%
79%	45%
78%	40%
77%	35%
76%	30%
75%	25%

below 75.0000% None (0%)

The percentage of earnings goal includes not only whole percentages but also fractions thereof, which shall be considered by extrapolation in determining the applicable percentage of the maximum possible Company contribution.

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5.2 Limitations on Deposits and Contributions

- (a) Notwithstanding anything contained herein to the contrary, but subject to section 4.7, a Participant's Annual Additions for a Limitation Year shall not exceed the lesser of--
- (1) \$30,000, adjusted for increases in the cost of living as provided in Code section 415(d), or
 - (2) 25 percent of the Participant's compensation (as defined in paragraph (f) (3) below).
- (b) If any Participant under the Plan is also a Participant in a defined benefit plan (as defined in section 415(k) of the Code) maintained by the Company or an Affiliate, the sum of the defined benefit plan fraction (as defined in section 5.2(f) (2)) and the defined contribution plan fraction (as defined in section 5.2(f) (1)) for any Limitation Year with respect to such Participant shall not exceed one. If a Participant is otherwise entitled to receive an allocation under this Plan and accrue a benefit under a defined benefit plan maintained by the Company or an Affiliate, and the combination thereof would cause the limitations of this section to be exceeded, the allocation under this Plan will only be reduced if the accrual under such defined benefit plan is not decreased as necessary to cause such limitations not to be exceeded.
- (c) To the extent a Participant's Annual Additions for a Limitation Year exceed the limitations in either paragraph (a) (1) or (a) (2), the Participant's deposits shall be returned to the Participant in the following order:

- (1) the Participant's deposits to his or her After-Tax Deposit Account;
then
- (2) the Participant's deposits to his or her Before-Tax Deposit Account.

After giving effect to the foregoing sentence, if appropriate, the Company shall make no contribution to the Participant's Matching Contribution Account which would result in those limitations being exceeded. If any excess Annual Additions nonetheless remain in the Participant's Accounts, such excess amounts shall be subtracted from his or her Matching Contribution Account. The subtracted amount shall be used to reduce Company contributions as provided in section 5.4.

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- (d) If a Participant is entitled to receive an allocation under this Plan and any Related Plan and, in the absence of the limitations contained in this section, the Company would contribute or allocate to the Accounts of that Participant an amount for a Limitation Year that would cause the Annual Additions to the Accounts of the Participant to exceed the annual Maximum Permissible Amount for such Year, then the contributions and allocations made with respect to the Participant under this Plan will be reduced before the contributions or allocations to the Participant's accounts under the Related Plan are reduced.
- (e) In applying the limitations under this section 5.2, all Affiliates shall, together with the Company, be considered as a single employer. In addition, in applying these limitations, all defined contribution plans (whether or not terminated) of the Company shall be treated as one defined contribution plan, and all defined benefit plans (whether or not terminated) of the Company shall be treated as one defined benefit plan.
- (f) For purposes of this section 5.2--
 - (1) The "defined contribution plan fraction" for any Limitation Year for a Participant means a fraction, the numerator of which is the sum of the Participant's Annual Additions for the Limitation Year and all prior Limitation Years, and the denominator of which is the sum of the lesser of the following amounts (determined for the Limitation Year and for each prior Limitation Year of service with the Company): (1) the product of 1.25 multiplied by the dollar limitation in effect under Code section 415(c)(1)(A) for such Limitation Year or (2) the product of 1.4 multiplied by 25 percent of the Participant's compensation for such Limitation Year.
 - (2) The "defined benefit plan fraction" for any Limitation Year for a Participant means a fraction, the numerator of which is the Participant's projected annual benefit (determined as of the close of the Limitation Year), and the denominator of which is the lesser of (A) the product of 1.25 multiplied by the maximum dollar limitation

under Code section 415(b)(1)(A) for that year or (B) the product of 1.4 multiplied by 100 percent of the Participant's average compensation for his or her high three years. However, the denominator of the fraction shall not be less than 1.25 multiplied by the annual benefit which the Participant had accrued under the Pension Plan as of September 30, 1983.

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- (3) The term "compensation" shall mean wages, salaries, fees for professional services, and other amounts received for personal services actually rendered in the course of employment with the Company or an Affiliate (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, tips, and bonuses); shall include all compensation actually paid or made available to a Participant for an entire Limitation Year; and shall not include any other items or amounts paid to or for the benefit of a Participant.
- (g) For any Limitation Year in which the Plan is a top-heavy plan, the determination of the defined benefit fraction and the defined contribution fraction under this section 5.2 will be adjusted in accordance with the provisions of section 416(h) of the Code.
- (h) To the extent permitted, the limitations set forth in this section 5.2 shall be adjusted in connection with contributions made pursuant to section 4.7.

5.3 Time of Matching Contributions

The Company's Matching Contribution for a calendar year on behalf of a Participant shall be made as soon as practicable after the end of the calendar year, without interest, but otherwise shall be deemed to have been made as of December 31 of the calendar year if it is made not later than the time prescribed by law (with extensions) for the filing of the Company's federal income tax return for that year. All contributions shall be transmitted to the Trustee for investment as the Participant shall have directed as provided in section 6.3.

5.4 Forfeitures

Forfeitures occurring other than as of the last day of the Plan Year under section 8.3 shall be held in a suspense account in the Plan and invested in the Short Term Fund. Notwithstanding the provisions of section 5.1, Forfeitures, and (where applicable) earnings thereon, shall be used to satisfy the Matching Contribution, and the Company's contribution under section 5.1 shall be reduced (but not below zero) accordingly.

5.5 Limitations on Contributions

The amount of contributions made by any corporation which is a party to this Plan shall not exceed the amount deemed to be deductible in computing the taxable income of such corporation (taking into account all contributions under the Pension Plan and all privileges and limitations of carry over and carry forward as established by law) for the purpose of computing taxes on, or

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measured by, income under the provisions of the Code or any other laws in effect from time to time.

5.6 Rules Governing Matching Contributions

- (a) Notwithstanding any provisions of the Plan to the contrary, but subject to section 4.7, the Actual Contribution Percentage of Highly Compensated Participants shall bear to the Actual Contribution Percentage for all other Participants a relationship that satisfies either of the following tests:
- (i) The Actual Contribution Percentage for Highly Compensated Participants is not more than the Actual Contribution Percentage for all other Participants multiplied by 1.25; or
 - (ii) The Actual Contribution Percentage for Highly Compensated Participants is not more than the Actual Contribution Percentage for all other Participants multiplied by two and the excess of the Actual Contribution Percentage for the group of Highly Compensated Participants over that of all other Participants is not more than two percentage points.
- (b) If, at the end of any Plan Year, neither of the tests set forth in subsection (a) is satisfied for such Year, then the Matching Contributions made for such Year on behalf of Highly Compensated Participants shall be reduced in the manner set forth in this subsection (b) to the extent necessary to comply with one of the tests set forth in subsection (a). Reductions pursuant to the preceding sentence shall be effected with respect to Highly Compensated Participants pursuant to the following procedure: The Actual Contribution Percentage of the Highly Compensated Participant with the highest Actual Contribution Percentage shall be reduced to the extent necessary to cause such Highly Compensated Participant's Actual Contribution Percentage to equal the Actual Contribution Percentage of the Highly Compensated Participant with the next highest Actual Contribution Percentage. This process shall be repeated until the Plan satisfies one of the tests set forth in subsection (a) for such Plan Year.
- (c) Deposits by Participants who are not Highly Compensated Participants to the After-Tax Deposit Account and Matching Contributions made on account of Participants who are not Highly Compensated Participants shall be valid and shall not be affected by this section. The unvested portion of Matching Contributions that are reduced pursuant to the preceding provisions of this

section for the Plan Year, adjusted for earnings, gains and losses allocable thereto pursuant to Section 401(m) of the Code for such Plan Year, shall be returned to the Company and the reduced after-tax

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deposits and the vested portion of such reduced Matching Contributions, adjusted for earnings, gains and losses allocable thereto shall be paid directly to the applicable Participant. After-tax deposits shall be reduced first, and, to the extent necessary, vested Matching Contributions shall be reduced thereafter. If the vested portion of the Matching Contribution Account of the Participant is not sufficient to satisfy the necessary reduction the nonvested portion of such Matching Contribution Account shall be forfeited to the extent necessary to satisfy such reduction. The calculations, reductions, allocations and payments required by this section shall be made by the Committee with respect to a Plan Year at any time prior to the close of the following Plan Year.

- (d) If at any time during a Plan Year the Committee, in its sole discretion, determines that neither of the tests set forth in subsection (a) of this Section 5.6 may be met for such Plan Year, then:
- (i) The Committee shall have the unilateral right during the Plan Year to require the prospective reduction, for the balance of the Year, or any part thereof, of the percentage of Salary of Highly Compensated Participants that may be deposited on an after-tax basis. Such reductions shall be made to the extent necessary, in the discretion of the Committee, to assure that one of the tests set forth in subsection (a) of this section 5.6 shall be met for the Plan Year and shall be based upon estimates made from data available to the Committee at any time during the Plan Year.
 - (ii) Reductions pursuant to (i) above shall be effected with respect to Highly Compensated Participants pursuant to the following procedure: The Actual Contribution Percentage of the Highly Compensated Participant with the highest Actual Contribution Percentage shall be reduced to the extent necessary to cause such Highly Compensated Participant's Actual Contribution Percentage to equal the Actual Contribution Percentage of the Highly Compensated Participant with the next highest Actual Contribution Percentage. This process shall be repeated to the extent necessary to assure that one of the tests set forth in subsection (a) shall not be exceeded for such Plan Year.
- (e) If one or more Highly Compensated Participants is eligible to authorize Salary Reduction Contributions to be made on his or her behalf, and to have Matching Contributions allocated to his Accounts pursuant to the Plan during such Plan Year and the sum of the Actual Deferral Percentage of the entire group of Highly Compensated Participants and of the Actual

Contribution Percentage of the entire group of Highly Compensated Participants for such Plan Year exceeds the Aggregate Limit, then the Actual Contribution Percentage of those Highly Compensated Participants will be reduced (beginning with such Highly Compensated Participant whose Actual Contribution Percentage is the highest) so that the limit is not exceeded. The Actual Deferral Percentage and the Actual Contribution Percentage of the Highly Compensated Participants are determined after any corrections required to meet the Actual Deferral Percentage and Actual Contribution Percentage tests. This subsection (e) shall not apply if either the Actual Deferral Percentage or the Actual Contribution Percentage of the Highly Compensated Participants does not exceed 1.25 multiplied by the Actual Deferral Percentage and Actual Contribution Percentage of the non-Highly Compensated Participants.

- (f) To the extent permitted, the limitations set forth in this section 5.6 shall be adjusted in connection with contributions made pursuant to section 4.7.

5.7 Transfers from ESOP

To enable The Northern Trust Employee Stock Ownership Plan to satisfy the investment diversification requirement of Code section 401(a)(28)(B), the Plan shall accept transfers of cash directly from an Employee's account in the Northern Trust Employee Stock Ownership Plan which are made to fulfill that requirement. The transferred property shall be added to the Employee's ESOP Contribution Account. The Committee shall regulate the making of transfers in accordance with uniform and nondiscriminatory rules.

Article VI. Investment Funds

6.1 Investment Funds

There shall be the following six Investment Funds:

- (a) SHORT TERM FUND. This Fund invests primarily in debt instruments with short maturity dates (e.g., money market instruments). This Fund shall be invested with the objective of minimizing fluctuations in the market value of the Fund, while obtaining maximum income consistent with that objective.
- (b) BENCHMARK FUNDS--BOND PORTFOLIO. This Fund invests primarily in debt instruments with longer maturity dates (e.g., bonds).
- (c) BENCHMARK FUNDS--BALANCED PORTFOLIO. This Fund invests in stocks, bonds, and money market instruments. The mix of these investments is regularly monitored and adjusted.

- (d) BENCHMARK FUNDS--EQUITY INDEX PORTFOLIO. This Fund invests primarily in common stocks. The Fund seeks to achieve investment performance results paralleling the results of the Standard & Poor's 500 Stock Index. The Fund's investments are not actively managed.
- (e) BENCHMARK FUNDS--FOCUSED GROWTH PORTFOLIO. This Fund invests primarily in stocks of companies with high growth potential.
- (f) NORTHERN TRUST STOCK FUND. This Fund shall be invested primarily in shares of common stock of Northern Trust Corporation.

The Benchmark Fund is a registered investment company. The Northern Trust Company is the investment adviser, transfer agent, and custodian for each portfolio of the Fund, and it receives from each portfolio a fee for its services.

The Committee may select other investment funds, in addition to or in lieu of, the foregoing Funds. Such other funds shall be included within the terms "Funds" or "Investment Funds" hereunder as if specified above.

6.2 Administration of Funds

Each of the Investment Funds shall be invested without distinction between principal and income. Pending payment of costs, expenses and anticipated benefits, or acquisition of permanent investments, the Trustee may hold any portion of any of the Investment Funds in money market instruments (or in a collective investment fund or registered investment company composed

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primarily of such investments). Prior to March 14, 1995, the Committee may allocate the aggregate deposits and contributions on behalf of all Participants among the Investment Funds on an estimated basis during a Valuation Period and make compensating adjustments among the Funds, if needed, as of the end of the Valuation Period in order to facilitate administration of the Plan.

6.3 Selection of Investment Funds

Each Member shall have the right to direct that--

- (a) the contributions to the After-Tax Deposit Account and Before-Tax Deposit Account shall be invested in specified multiples of 1 percent in any one or more of the Investment Funds (but not in The Northern Trust Stock Fund), with the same election applying to deposits to both Accounts,
- (b) the contributions to the Member's Rollover Deposit Account shall be invested in specified multiples of 1 percent in any one or more of the Investment Funds (but not in The Northern Trust Stock Fund),

- (c) the contributions to the Member's Basic Contribution Account and Matching Contribution Account shall be invested in specified multiples of 1 percent in any one or more of the Investment Funds,
- (d) the contributions to the Member's ESOP Contribution Account shall be invested in specified multiples of 1 percent in any one or more of the Investment Funds (but not in The Northern Trust Stock Fund), and
- (e) the contributions to the Member's Acquired Company Prior Plan Account shall be invested in specified multiples of 1 percent in any one or more of the Investment Funds (provided that, if such Account is not wholly attributable to contributions of an employer, within the contemplation of Section 3(a)(2) of the Securities Act of 1933, no investment may be made in The Northern Trust Stock Fund).

Directions shall be in such written, electronic, or other form as the Committee shall determine, and shall be made on or before any reasonable and nondiscriminatory deadline that the Committee establishes.

6.4 Transfers Between Funds

Subject to restrictions set forth below, each Member shall have the right to direct that--

- (a) his or her After-Tax Deposit Account, Before-Tax Deposit Account, ESOP Contribution Account and Rollover Deposit Account which are invested in

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any one or more of the Investment Funds, shall be transferred in whole or in part to any one or more of the Investment Funds (but not The Northern Trust Stock Fund), with the same election applying to transfers in all four Accounts, and

- (b) his or her Basic Contribution Account, Matching Contribution Account and Acquired Company Prior Plan Account (subject to the proviso contained in subsection (e) of section 6.3) which are invested in any one or more of the Investment Funds, shall be transferred in whole or in part to any one or more of the Investment Funds, with the same election applying to transfers in all three Accounts;

provided, however that before March 14, 1995, a Participant who has terminated employment with the Company or any Affiliate shall not have the right to direct the investment of his or her Accounts after the date the Participant's employment terminates. Such Participant's Account balances will be transferred to the Short Term Fund as of the first Valuation Date after the Participant terminates employment.

Any investment direction must be received by the Committee on or before any

reasonable and nondiscriminatory deadline that it establishes. Directions shall be in such written, electronic, or other form as the Committee shall determine. Through June 30, 1993, transfers may be made effective as of the first day of any calendar quarter. Effective July 1, 1993 through March 1, 1995, transfers may be made as of the first day of any month, up to six times in a calendar year; provided, however, that no transfers shall be accepted during February 1995. Effective March 14, 1995, transfers may be made effective as of any business day.

In addition to other limitations set forth above, the Committee will not accept instructions to transfer funds to or from The Northern Trust Stock Fund under this Plan during the period beginning on the 10th business day prior to the end of a calendar quarter and ending on the third business day following the release of quarterly or annual financial information with respect to such quarter.

Further, the Committee in its discretion may at any time and from time to time regulate, limit, or prohibit Members from making transfers to or from (or investing in, or withdrawing or borrowing from) The Northern Trust Stock Fund under this Plan, in order to ensure that federal securities laws will not be violated currently or in the future.

6.5 Voting Rights; Tender Offers

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- (a) Each Member having an interest in The Northern Trust Stock Fund shall have the right to direct the manner in which the Trustee shall vote common stock of Northern Trust Corporation ("Company Stock") in such Fund equivalent to his or her proportionate interest therein.
- (b) In the event of a Tender Offer for Company Stock, each Member having an interest in The Northern Trust Stock Fund shall have the right to direct whether the Trustee will (1) tender Company Stock in such Fund equivalent to his or her Proportionate Interest therein and (2) withdraw such Stock from the depository into which it is tendered pursuant to such direction.
- (c) Subject to sections 14.6, 14.7, and 14.8 of the Plan and Part 4 of Title I of ERISA, the Trustee shall vote, tender, or withdraw from the depository into which tendered, Company Stock in The Northern Trust Stock Fund only in accordance with directions received from Members within the time periods set forth below and shall not vote, tender, or so withdraw Company Stock in The Northern Trust Stock Fund equivalent to the Proportionate Interest of Participants from whom timely directions are not received by the Trustee pursuant to this section.
- (d) As soon as possible prior to each stockholders meeting of Northern Trust Corporation, the Trustee shall provide each Member entitled under this section to direct the voting of Company Stock with notice of such meeting and of those matters which at the time of the mailing of such notice are

expected to be presented at such meeting for action by holders of Company Stock. Such notice shall be accompanied by an appropriate form with which the Member may direct the manner of voting on such matters. If directions on such matters are received by the Trustee from any such Member at least two days prior to such meeting, the Trustee shall vote such Member's Proportionate Interest in accordance with the directions received from such Member.

- (e) If any person makes a Tender Offer for shares of Company Stock which includes shares of Company Stock held in The Northern Trust Stock Fund, the Trustee shall promptly notify each Member having an interest in The Northern Trust Stock Fund: (1) that a Tender Offer for shares of Company Stock has been commenced, (2) of the identity of the tender offeror, (3) of such other information as the Trustee deems appropriate to enable the Member to make an independent decision with respect to the tendering of such Stock, (4) that the Member has the right to direct whether his Proportionate Interest will be tendered, and (5) that Company Stock constituting the Member's Proportionate Interest will not be

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tendered except to the extent that a direction to tender has been received by the Trustee from such Member no later than the date two days before the deadline for tenders under such Tender Offer. Such notice will be accompanied by an appropriate form with which the Member may direct the Trustee whether to tender his or her Proportionate Interest. If such written direction is received by the Trustee prior to such date, the Trustee shall tender, or not tender, such Member's Proportionate Interest in accordance with such directions. A Member's direction to tender or not tender shall become irrevocable on the date two days before such deadline for tenders and may be revoked by a subsequent direction received by the Trustee from such Member on or before such date. After shares of Company Stock have been tendered pursuant to this section, the proceeds of the Trust's sale of such Company Stock pursuant to the Tender Offer attributable to each Member who directed the tender of his Proportionate Interest shall be separately accounted for in The Northern Trust Stock Fund. As soon as practicable after consummation of the sale of such Stock thereunder, the directing Member's interest in The Northern Trust Stock Fund will be debited with the proceeds of such sale, and as of the end of the Valuation Period that interest shall be transferred to the Short Term Fund.

- (f) If shares of Company Stock have been tendered in a Tender Offer by the Trustee pursuant to the direction of a Member, and if withdrawal rights arise pursuant to (1) the terms of such Tender Offer, (2) any statute or regulation promulgated thereunder, or (3) a court order, the Trustee shall promptly notify any Member who made such a direction that he has the right to direct the withdrawal of the shares of Company Stock tendered pursuant to his or her direction from the depository into which such shares have been tendered. The Trustee will provide such Member with an appropriate

form with which he may direct the Trustee to withdraw such shares. In the event the Trustee receives any such written direction within sufficient time to act, it shall withdraw such shares of Company Stock.

(g) DEFINITIONS.

- (1) The "Proportionate Interest" of a Member is the number of shares of Company Stock determined by multiplying the total number of shares of Company Stock held in The Northern Trust Stock Fund by a fraction, the numerator of which is the Member's interest in The Northern Trust Stock Fund and the denominator of which is the entire balance of The Northern Trust Stock Fund. All determinations made pursuant to the preceding sentence shall be as of the first day of the Valuation Period which Period includes (A) in the

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case of the voting of Company Stock, the record date for the applicable meeting and (B) in the case of a Tender Offer for Company Stock, the date on which the Tender Offer was announced.

- (2) A "Tender Offer" is a tender offer for, or a request for or invitation for tenders of, stock within the meaning of section 14(d) of the Securities Exchange Act of 1934 and applicable rules, regulations, and case law thereunder.

6.6 Individual Accounts

The Committee will maintain or cause to be maintained individual accounts of the interests of Participants in the several Investment Funds, showing separately interests resulting from the deposits of Members and from contributions made by the Company on their behalf. Each Investment Fund may be invested as a single fund, however, without segregation of Fund assets to the individual Accounts of Members.

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Article VII. Valuation and Adjustments

7.1 Valuation and Adjustments

As of each Valuation Date, the value of each Account shall be determined in the following manner:

- (a) As soon as practicable after each Valuation Date, the fair market value of the assets of each of the Investment Funds, net of fees chargeable, shall be determined as of the Valuation Date (or, before March 14, 1995, as of the next previous business day if the Valuation Date falls on a Saturday, Sunday, or holiday).

- (b) Each Account in an Investment Fund shall be adjusted by multiplying it by a fraction, the numerator of which is the fair market value of such Fund as of the Valuation Date, and the denominator of which is the sum of (1) the adjusted value of the Fund on the last Valuation Date determined as provided in subsection (d) and (2) the aggregate amount of all Members' deposits and loan payments and Company contributions during the Valuation Period beginning after the last Valuation Date.
- (c) Following the adjustment of each Account in an Investment Fund pursuant to subsection (b), the benefits and withdrawals distributable, loans granted, and amounts transferable from the Fund as of the Valuation Date shall be paid to the Members and Beneficiaries entitled thereto, and such amounts transferable to other Investment Funds shall be deposited in such Funds.
- (d) The amount of benefits and withdrawals distributed, loans disbursed, and amounts transferred from each Investment Fund as of the Valuation Date shall be deducted from, and the amount of transfers to such Fund as of the Valuation Date shall be added to, the fair market value of such Fund as of the Valuation Date, and the resulting figure shall be recorded as the adjusted value of such Investment Fund on the Valuation Date.

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Article VIII. Benefits

8.1 Normal Retirement Date, Pension, Permanent Disability

Each Member whose participation in the Plan terminates by reason of termination of service with the Company--

- (a) for any reason after the Member attains his or her Normal Retirement Date,
- (b) after the Member has qualified for an Early Retirement Pension under the Pension Plan, or
- (c) by reason of Permanent Disability,

shall be entitled to receive a 100% vested benefit equal to the value of the sum of his or her After-Tax Deposit Account, Before-Tax Deposit Account, Rollover Deposit Account, ESOP Contribution Account, Basic Contribution Account, Company Matching Contribution Account and Acquired Company Prior Plan Account, adjusted as provided in section 7.1 (and reduced by any security interest held by the Plan by reason of a loan outstanding to the Member unless such loan is repaid pursuant to Section 8.9(e)) as of the Valuation Date coincident with or next following the date his or her participation terminates as provided in section 3.2, and also any Matching Contribution for the calendar year in which his or her participation terminates as provided in section 5.3.

8.2 Death

If a Member dies, his or her Beneficiary shall be entitled to receive a 100% vested benefit equal to the value of the sum of the deceased Member's After-Tax Deposit Account, Before-Tax Deposit Account, Rollover Deposit Account, ESOP Contribution Account, Basic Contribution Account, Matching Contribution Account, and Acquired Company Prior Plan Account (and reduced by any security interest held by the Plan by reason of a loan outstanding to the Member unless such loan is repaid pursuant to Section 8.9(e)) as of the Valuation Date upon which his or her participation terminates as provided in section 3.2, and also any Matching Contribution for the calendar year in which his or her participation terminates as provided in section 5.3.

The Member may designate a different Beneficiary or Beneficiaries for all or a specific portion of the Member's Accounts. If the Member is married and designates someone other than his or her Spouse as Beneficiary, the Member's Spouse must consent to such designation, prior to the Member's death, in writing. Such consent must acknowledge the effect of such an election, the identity of the Beneficiary, including any class of Beneficiaries and contingent

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Beneficiaries, and the consent must be witnessed by a Plan representative or a notary public. The Member may not subsequently change the method as of distribution elected by the Member or the designation of his Beneficiary unless his Spouse consents to the new election or designation in accordance with the requirements set forth in the preceding sentence. Any such consent shall only be effective with respect to the specific Spouse. A surviving Spouse's consent shall be irrevocable. If a married Member dies, and there is a Beneficiary designation as to which the Member's surviving Spouse has not consented as provided above, then the distribution under this section 8.2 shall be made to the Member's surviving Spouse in a lump sum.

Notwithstanding the foregoing, the consent of a Member's surviving Spouse shall not be required if the Member establishes to the satisfaction of the Committee that consent may not be obtained because there is no surviving Spouse, the surviving Spouse cannot be located, or because of such other circumstances as the Secretary of the Treasury may prescribe by regulations.

8.3 Termination of Service

Each Member whose service with the Company terminates for any reason, voluntary or involuntary, other than those enumerated in sections 8.1 and 8.2, shall be entitled to receive a benefit equal to the value of the sum of his or her After-Tax Deposit Account, Before-Tax Deposit Account, Rollover Deposit Account, ESOP Contribution Account, Basic Contribution Account, and the Vested Portion of his or her Matching Contribution Account and Acquired Company Prior Plan Account (and reduced by any security interest held by the Plan by reason of a loan outstanding to the Member unless such loan is repaid pursuant to Section 8.9(e)) as of the Valuation Date upon which his or her participation terminates as provided in section 3.2. The Unvested Portion of the Member's Company

Vesting Contribution Account shall be forfeited and disposed of as provided in section 5.4. Such Forfeiture shall occur (i) before January 1, 1995, as of the date on which the Member incurs a Break in Service, and (ii) from and after January 1, 1995, as of the last day of the Plan Year during which the Member receives a distribution pursuant to this section 8.3.

8.4 Deemed Cashout

If a Member has no vested interest in his Account balance when his or her employment with the Company and all Affiliates terminates, such Member will be treated as having received a Deemed Cashout of the Member's Account balance as of the last day of the Plan Year in which the Member's employment terminated and the Member's Account balance will be treated as forfeited on such date.

"Deemed Cashout" means a distribution of zero dollars representing the Member's entire Account balance. If the Member is reemployed with the Company or any Affiliate before such Member has incurred five (5) consecutive

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One-Year Breaks in Service, the amount forfeited will be restored as the Member's Account balance.

8.5 Restrictions on Mandatory Distributions

If a Member who is under 65 years of age is entitled to receive a benefit under section 8.1 or 8.3, and if the aggregate value of the Member's Accounts in the Plan is greater than \$3,500, the benefit may not be distributed to the Member without his or her written consent delivered to the Committee prior to the Valuation Date upon which his or her participation terminates. Such written consent shall be made in a form deemed acceptable by the Committee.

If the Member does not so consent, his or her benefit shall not be distributed until the Member requests a total distribution, attains 65 years of age, or dies. During that period of time the Member's benefit shall be treated as are the Accounts of continuing Members, except that (i) no additions to such Accounts may be made, (ii) before March 14, 1995, such Accounts must be invested solely in the Short Term Fund, and (iii) the Member may not exercise the rights granted under sections 8.7, 8.8, and, except as otherwise provided, section 8.9 of the Plan.

If a distribution is one to which sections 401(a)(11) and 417 of the Code do not apply, such distribution may commence less than thirty (30) days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

- (a) the Committee clearly informs the Member that the Member has a right to a period of at least thirty (30) days after receiving the notice to consider the decision of whether to elect a distribution, and
- (b) the Member, after receiving the notice, affirmatively elects a

distribution.

8.6 Required Distributions

- (a) Notwithstanding the provisions of section 8.5, distribution of each Member's Accounts must commence not later than 60 days after the last day of the Plan Year in which the last of the following events occurs:
- (1) the date on which the Member reaches his or her Normal Retirement Date;
 - (2) the tenth anniversary of the date on which the Member commenced participation in the Plan; or
 - (3) the date on which the Member's employment with the Company and all Affiliates terminates.
- (b) Notwithstanding anything to the contrary contained elsewhere in the Plan--
- (1) A Member's benefits under the Plan will--
 - (A) be distributed to him or her not later than the Required Distribution Date (as defined in paragraph (3)), or
 - (B) be distributed commencing not later than the Required Distribution Date in accordance with regulations prescribed by the Secretary of the Treasury over a period not extending beyond the life expectancy of the Member or the life expectancy of the Member and the Member's Beneficiary.
 - (2) Payments on death--
 - (A) If the Member dies after distribution has commenced pursuant to paragraph (1)(B) but before the Member's entire interest in the Plan has been distributed to him, then the remaining portion of that interest will be distributed at least as rapidly as under the method of distribution being used under paragraph (1)(B) at the date of the Member's death.
 - (B) If the Member dies before distribution has commenced pursuant to paragraph (1)(B), then, except as provided in paragraphs (2)(C) and (2)(D), the Member's entire interest in the Plan will be distributed within five years after the Member's death.
 - (C) Notwithstanding the provisions of paragraph (2)(B), if the Member dies before distribution has commenced pursuant to paragraph (1)(B) and if any portion of the Member's interest in the Plan is payable (i) to or for the benefit of a Beneficiary, (ii) in

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accordance with regulations prescribed by the Secretary of the Treasury over a period not extending beyond the life expectancy of the Beneficiary, and (iii) beginning not later than one year after the date of the Member's death or such later date as the Secretary of the Treasury may prescribe by regulations, then the portion referred to in this paragraph (2) (C) shall be treated as distributed on the date on which such distribution begins.

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(D) Notwithstanding the provisions of paragraphs (2) (B) and (2) (C), if the Beneficiary referred to in paragraph (2) (C) is the Spouse of the Member, then--

(i) the date on which the distributions are required to begin under paragraph (2) (C) (iii) of this section shall not be earlier than the date on which the Member would have attained age 70-1/2, and

(ii) if the Spouse dies before the distributions to that Spouse begin, then this paragraph (2) (D) shall be applied as if the surviving Spouse were the Member.

(3) For purposes of subsection (b) (1), the Required Distribution Date means April 1 of the calendar year following the calendar year in which the Member attains age 70-1/2; provided, however, that in the case of a Member who attained age 70-1/2 before January 1, 1988 such Member's Required Distribution Date shall be April 1 following the calendar year in which occurs the later of (A) the Member's attainment of age seventy and one-half (70-1/2), or (B) the Member's termination of employment, unless such Member is a Five-Percent Owner (as defined in Section 416(i) of the Code) of the Company at any time during the Plan Year ending with or within the calendar year in which such owner attains age sixty-six and one-half (66-1/2) or any subsequent year, in which case clause (B) shall not apply.

(4) For purposes of subsection (b), once distribution has commenced hereunder, the life expectancy of a Member and the Member's Spouse may not be redetermined.

(5) A Member may not elect a form of distribution pursuant to paragraph (1) providing payments to a Beneficiary who is other than the Member's Spouse unless the actuarial value of the payments expected to be paid to the Member is more than 50 percent of the actuarial value of the total payments expected to be paid under such form of distribution.

8.7 Withdrawals as of Right

Subject to the limitations hereinafter in this section 8.7 provided, a

Participant shall have the right to make a withdrawal by setting forth the amount he or she desires to withdraw in a notice to the Committee; provided, however, that the Committee shall not accept withdrawal notices during February 1995. Amounts withdrawn shall be paid to the Participant as soon as reasonably practicable after

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the Valuation Date, without interest. To make a withdrawal, the Participant must be in the service of the Company or an Affiliate when the withdrawal is made. The withdrawal election shall be in such written, electronic, or other form as the Committee shall determine.

(a) WITHDRAWALS OVER AGE 59-1/2. A Participant who is 59-1/2 years of age or older as of a Valuation Date shall be entitled to withdraw as of right any part or all of the vested amounts in his or her Plan Accounts listed below, in the order designated:

- (1) After-Tax Deposit Account,
- (2) Rollover Deposit Account,
- (3) ESOP Contribution Account,
- (4) Vested Portion of Matching Contribution Account,
- (5) Vested Portion of Acquired Company Prior Plan Account,
- (6) Basic Contribution Account, and
- (7) Before-Tax Deposit Account.

(b) WITHDRAWALS UNDER AGE 59-1/2. A Participant who is under 59-1/2 years of age as of a Valuation Date may make withdrawals from his or her Plan Accounts as follows:

- (1) A Participant shall be entitled to withdraw as of right from his or her After-Tax Deposit Account an amount equal to the value of his or her After-Tax Deposit Account on such Valuation Date, reduced by the aggregate amount of the Participant's deposits to that Account which were made during the last 24 months ending on such Valuation Date and which were or could be the basis for determining Company contributions to the Participant's Matching Contribution Account. If a Participant makes deposits to both his or her After-Tax Deposit Account and Before-Tax Deposit Account in a Valuation Period, the deposits to the Before-Tax Deposit Account shall be deemed to be the basis for Company contributions before the deposits to the After-Tax Deposit Account are so considered.

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- (2) A Participant shall be entitled to withdraw as of right from his or her Rollover Deposit Account an amount equal to the value of his or her Rollover Deposit Account on such Valuation Date.
- (3) A Participant shall be entitled to withdraw as of right from his or her ESOP Contribution Account an amount equal to the value of his or her ESOP Contribution Account on such Valuation Date. In no event shall any withdrawal under this section 8.7(b)(3) be attributable to contributions made to the ESOP during the 24 months ending on such Valuation Date.
- (4) A Participant shall be entitled to withdraw as of right from his or her Matching Contribution Account an amount equal to the value of the Vested Portion of his or her Matching Contribution Account as of such Valuation Date, adjusted as provided in section 7.1 as of such Valuation Date. In no event shall any withdrawal under this section 8.7(b)(4) reduce the value of the Participant's Matching Contribution Account below the amount of the Company's contributions to such Account during the 24 months ending on such Valuation Date.
- (5) A Participant shall be entitled to withdraw as of right from his or her Acquired Company Prior Plan Account an amount equal to the Vested Portion of the Acquired Company Prior Plan Account as of such Valuation Date.

With respect to Plan Years ending before January 1, 1995, if a Participant has a 100% Vested Portion under section 2.1(zz) and has five years of participation, sections 8.7(b)(1), 8.7(b)(3) and 8.7(b)(4) shall be administered for that Participant by substituting "12 months" for "24 months." Effective January 1, 1995, the 24 month restrictions contained in sections 8.7(b)(1), 8.7(b)(3) and 8.7(b)(4) shall not apply to a Participant who has a 100% Vested Portion under section 2.1(zz); provided that the Participant has at least five years of participation in the Plan.

(c) GENERAL RULES FOR WITHDRAWALS. No withdrawal shall reduce the value of a Participant's Account below zero. Any amount withdrawn from an Account of a Participant shall be charged against the Account's investment in the Investment Funds in the order designated:

- (1) Short Term Fund,
- (2) Benchmark Fund--Bond Portfolio,
- (3) Benchmark Fund--Balanced Portfolio,
- (4) Benchmark Fund--Equity Index Portfolio,

- (5) Benchmark Fund--Focused Growth Portfolio, and
- (6) The Northern Trust Stock Fund, subject to the last paragraph of section 6.4.

The Committee shall determine the place, in the foregoing order, for any other Fund established pursuant to section 6.1. Before January 1, 1995, a Participant may withdraw from his or her Account up to six times in a calendar year. A Participant's directions for withdrawals shall be subject to such reasonable and nondiscriminatory deadlines and in such written, electronic or other form as the Committee shall determine. After calendar year 1993, the minimum amount which a Participant may withdraw from his or her Plan Accounts as of right under section 8.7(a) is \$1,000 per withdrawal, with the Accounts being valued as of the preceding Valuation Date.

8.8 Hardship Withdrawals

Upon proof satisfactory to the Committee of a hardship (as determined under paragraph (a) below), a Participant shall be permitted to withdraw vested amounts from his or her Plan Accounts, but only to the extent necessary to relieve a financial need (as determined under paragraph (b) below). Amounts withdrawn shall be paid to the Participant as soon as reasonably practicable after the Valuation Date, without interest. Such withdrawals shall be made from the following Accounts of a Participant in the order designated:

- (1) After-Tax Deposit Account,
- (2) Rollover Deposit Account,
- (3) ESOP Contribution Account,
- (4) Vested Portion of Matching Contribution Account,
- (5) Vested Portion of Acquired Company Prior Plan Account,
- (6) Before-Tax Deposit Account, except that a Participant may not withdraw earnings credited to that Account after December 31, 1988.

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- (a) HARDSHIP STANDARD. For purposes of this section 8.7, a hardship shall be limited to:
 - (1) medical expenses previously incurred by the Participant or his or her Spouse or dependents, as necessary for these persons to obtain medical care,
 - (2) purchase (excluding mortgage payments) of a principal single family residence of the Participant,

- (3) payment of tuition and related educational fees for the next 12 months of post-secondary education for the Participant or his or her Spouse, children, or dependents,
 - (4) the need to prevent the eviction of the Participant from his or her principal single family residence or the foreclosure on the mortgage of the Participant's principal single family residence,
 - (5) funeral expenses of an immediate family member (i.e., Spouse, child, brother, sister or parent) of the Participant on or after January 1, 1995, or
 - (6) such other financial needs as the Internal Revenue Service may publish in documents of general applicability.
- (B) FINANCIAL NEED STANDARD. Withdrawals on account of hardship may not be made in excess of the amount required to relieve such financial need or to the extent such need may be satisfied from other resources that are reasonably available to the Participant. A Participant shall specify, in the notice filed with the Committee in connection with the withdrawal, whether the rule described in the preceding sentence (the "financial need standard") shall be satisfied based on the criteria set forth in subparagraph (1) below, or based on the deemed financial need standards set forth in subparagraph (2) below.
- (1) Facts and circumstances standards. The financial need standard shall be satisfied if the Participant files a written representation with the Committee (in a form acceptable to the Committee), that the need cannot reasonably be relieved--
 - (A) through reimbursement or compensation by insurance or otherwise,

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- (B) by liquidation of the Participant's assets,
- (C) by cessation of the Participant's deposits under the Plan, or
- (D) by other distributions or nontaxable loans from plans maintained by the Company or any Affiliate, or by borrowing from commercial sources on reasonable commercial terms.

For purposes of this paragraph, the Participant's resources shall be deemed to include the assets of the Participant's Spouse and minor children that are reasonably available to the Participant. Notwithstanding the foregoing, if the Committee has actual knowledge that such representation is not true, the financial need standard will not be satisfied.

- (2) Deemed financial need standards. The financial need standard will be deemed to be satisfied if all of the following requirements are satisfied:
- (A) The Participant obtains all distributions, other than hardship distributions, and all nontaxable loans currently available under the Plan and all other plans maintained by the Company;
 - (B) The Plan and all other plans maintained by the Company or any Affiliate limit the Participant's elective contributions for the next taxable year to the applicable limit under section 402(g) for that year less the amount of such Participant's elective contributions for the taxable year of the hardship distribution; and
 - (C) The Participant's elective contributions and employee contributions (as defined in IRS Regulation section 1.401(k)) are suspended under the Plan and all other deferred compensation plans maintained by the Company or any Affiliate for 12 months after his receipt of the hardship distribution (except for mandatory employee contributions to a defined benefit plan).

A financial need cannot reasonably be relieved by one of these actions if the effect would be to increase the amount of the need. The amount of such financial need includes the amounts necessary to pay income taxes and penalties reasonably anticipated to result from the withdrawal.

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- (c) GENERAL RULES FOR HARDSHIP WITHDRAWALS. No withdrawal shall reduce the value of a Participant's Account below zero. Any amount withdrawn from an Account of a Participant shall be charged against the Account's investment in the Investment Funds in the order designated:
- (1) Short Term Fund,
 - (2) Benchmark Fund--Bond Portfolio,
 - (3) Benchmark Fund--Balanced Portfolio,
 - (4) Benchmark Fund--Equity Index Portfolio,
 - (5) Benchmark Fund--Focused Growth Portfolio, and
 - (6) The Northern Trust Stock Fund, subject to the last paragraph of section 6.4.

The Committee shall determine the place, in the foregoing order, for any other Fund established pursuant to section 6.1. A Participant may withdraw

from his or her Account no more than once each payroll period. Before January 1, 1995, a Participant may withdraw from his or her Account no more than three times in a calendar year; provided, however, that the Committee shall not accept applications for hardship withdrawals during February 1995. A Participant's directions for withdrawals shall be subject to such reasonable and nondiscriminatory deadlines and in such written, electronic or other form as the Committee shall determine.

Amounts withdrawn pursuant to this section 8.8 shall be made only after the Participant has exhausted his or her withdrawal rights under section 8.7.

8.9 Loans to Participants

- (a) A Participant and, to the extent not inconsistent with Section 401(a) of the Code, a former Participant who is a Party in Interest (as defined in section 3(14) of ERISA), shall have the right to borrow money from his or her Plan Account by submitting a loan application; provided, however, that no loan applications will be accepted during February, 1995. Approved loan applications will be processed for payment to the Participant as soon as reasonably practicable after the applicable Valuation Date. A loan request shall be subject to such reasonable and nondiscriminatory deadlines and shall be in such written, electronic or other form, as are established by the Committee. The amount of the loan shall not exceed the lesser of--

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- (1) if the aggregate value of the Participant's After-Tax Deposit Account, Before-Tax Deposit Account, Rollover Deposit Account, ESOP Contribution Account, Basic Contribution Account, Acquired Company Prior Plan Account and the Vested Portion of his or her Matching Contribution Account valued as of the prior Valuation Date is less than \$100,000, one-half thereof, and
- (2) if the aggregate value of the Participant's vested Accounts described in (1) above is \$100,000 or more, \$50,000

except that if the Participant has an outstanding balance of loans from the Plan, the amount available for any additional loan shall be reduced by the lesser of (A) 50 percent of the Participant's vested Accounts described in (1), including the value of any outstanding balance of loans from the Plan, minus the value of those loan balances or (B) \$50,000 minus the highest outstanding balance of loans from the Plan during the one-year period before the date on which such loan was made.

For purposes of the limitations of this subsection (a), loans made to a Participant from a tax-qualified plan maintained by an Affiliate shall be considered as being made from the Plan, and all qualified employer plans of the Company and all Affiliates shall be treated as one plan. The minimum amount which a Participant may borrow from his or her Plan Accounts is \$1,000 per loan, with larger amounts in additional increments of \$500.

- (b) A loan shall by its terms be required to be repaid within five years unless the loan is used to acquire a single dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as the principal residence of the Participant. A loan must be repaid in substantially equal installments on each payday. A Participant may have no more than two loans outstanding at any time. A Participant may prepay all of the remaining principal balance of a loan at any time, but partial prepayments are not permitted.
- (c) A loan shall be made on such terms of repayment and interest and subject to such rules and restrictions as the Committee shall determine, provided that any such loans shall be available to all Participants on a reasonably equivalent basis, bear a reasonable rate of interest, and be adequately secured. For purposes of the preceding sentence, the term "a reasonable rate of interest" shall mean the fixed interest rate which would be charged by The Northern Trust Company for a commercial loan secured by a savings account. The applicable interest rate for a loan application shall be updated monthly and shall be the commercial loan rate in effect

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approximately two months before the application is submitted. The loan shall be made as of the Valuation Date and shall be disbursed as soon as practicable thereafter, and the Participant shall not be obligated to pay (nor be entitled to receive) interest on the funds from the Valuation Date to the date of disbursement.

- (d) The loan to the Participant shall be made from the Participant's Accounts in the following order:
- (1) Rollover Deposit Account,
 - (2) ESOP Contribution Account,
 - (3) Vested Portion of Matching Contribution Account,
 - (4) Vested Portion of Acquired Company Prior Plan Account,
 - (5) After-Tax Deposit Account,
 - (6) Basic Contribution Account, and
 - (7) Before-Tax Deposit Account.

Any loan from an Account shall be charged against the Account's investment in the Investment Funds in the order designated--

- (1) Short Term Fund,

- (2) Benchmark Fund--Bond Portfolio,
- (3) Benchmark Fund--Balanced Portfolio,
- (4) Benchmark Fund--Equity Index Portfolio,
- (5) Benchmark Fund--Focused Growth Portfolio, and
- (6) The Northern Trust Stock Fund (if applicable), subject to the last paragraph of section 6.4.

The note representing the loan (and other loans to the same Participant) shall be segregated in a separate fund held by the Trustee as a separate earmarked investment solely for the account of the Participant. A Participant's payments to the Trust of principal and interest on a note held

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in such a segregated fund shall be invested, as soon as practicable, in such one or more of the Investment Funds in the same manner as deposits or contributions to each applicable Account are invested from time to time.

- (e) The entire unpaid balance of any loan made under this Article and all interest due thereon, shall, at the option of the Committee, immediately become due and payable without further notice or demand, if one of the following events of default occurs:
 - (1) with respect to a Participant, any payments of principal or accrued interest on the loan remain due and unpaid for a period of 90 days;
 - (2) with respect to a Participant on an unpaid leave of absence, any payments of principal or accrued interest on the loan remain due and unpaid for a period of one year;
 - (3) a Participant's employment with the Company or an Affiliate terminates and he or she is not a Party in Interest; or
 - (4) the borrowing Participant terminates employment and does not make full repayment prior to receiving a final distribution of the balance of his or her Account.
- (f) If (i) an event of default under section 8.9(e) occurs; and (ii) an event occurs pursuant to which the Member or the Member's beneficiary will receive a distribution under the provisions of the Plan, then such Member shall pay to the Trustee an amount equal to the portion of the loan or loans then outstanding, including all accrued interest thereon, and such Member shall thereafter receive the full amount of

the distribution under the provisions of the Plan to which the Member is otherwise entitled. If such Member is not then living, or if such Member does not make full payment of the portion of the loan or loans then outstanding, then the unpaid balance of the loan or loans will be deemed to be distributed to the borrowing Member, to the extent such distribution would be allowed under the terms of the Plan, on the last date by which full payment should have been made. The amount of the deemed distribution will be deducted from the borrowing Member's applicable Accounts and paid to the Trustee as payment on the loan or loans.

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Article IX. Distribution of Benefits

9.1 Termination of Service

Subject to section 8.5, a benefit payable to a Participant upon a Break in Service shall be distributed in one lump sum.

9.2 Death

A benefit payable to a Beneficiary upon the death of a Participant shall be distributed in one lump sum.

9.3 Time and Amount of Payment

A lump sum payment shall be made as soon as reasonably practicable (and under ordinary circumstances in no more than 45 days) after the date on which the Participant's retirement, Permanent Disability, death or other termination of employment occurs, subject to the completion of any applicable benefit consent, claim or claim review procedures. The amount of such distribution shall be determined as of the Valuation Date coincident with or immediately preceding the date distribution is made to the Participant.

9.4 Deferral of Payment of Benefit

If a Member or his or her Beneficiary could receive a Matching Contribution for the calendar year in which the Participant terminates his or her participation in the Plan, then notwithstanding section 9.3, the Member or Beneficiary may elect to defer payment under that section until the Company makes a Matching Contribution, or if none, until the Company announces that no such contribution will be made. In such case, the lump sum payment shall be made as soon as reasonably practicable (but in no event more than 45 days) after the Valuation Date immediately following that date. Until such Valuation Date, the Account of a Member or Beneficiary shall be treated in all respects as are the Accounts of continuing Participants, except that (a) no additions to such Accounts may be made and (b) the Member or Beneficiary may not exercise the rights granted under sections 8.7, 8.8 and 8.9.

9.5 Distributions from Northern Trust Stock Fund

A benefit normally will be distributed in cash, although the Committee may make distribution partly or wholly in kind. Notwithstanding the foregoing, upon the request of a Member or his or her Beneficiary (in a form acceptable to the Committee), as the case may be, distribution of the Member's interest in The Northern Trust Stock Fund shall be made in kind in full shares of common stock of Northern Trust Corporation, with any balance representing a fraction of a share being paid in cash. Such distributions shall be made as soon as

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reasonably practicable after the Valuation Date as of which such benefit is determined, and all distributions with respect to any Valuation Date shall be made on the same date. Common stock of Northern Trust Corporation and other property distributed in kind shall be valued at its fair market value on the Valuation Date as of which the benefit is determined.

9.6 Direct Rollover of Eligible Rollover Distributions

(a) This section 9.6 applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. Any portion of an eligible rollover distribution that is not paid directly to an eligible retirement plan in a direct rollover shall be subject to 20% Federal income tax withholding.

(b) DEFINITIONS.

(1) ELIGIBLE ROLLOVER DISTRIBUTION. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; the portion of any distribution that is not included in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and any distribution that is made to satisfy the limitations set forth in section 4.3 of the Plan.

(2) ELIGIBLE RETIREMENT PLAN. An eligible retirement plan is an individual retirement account described in section 408(a) of the Code,

an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's rollover distribution. However, in the case of an eligible rollover distribution to the surviving Spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

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- (3) DISTRIBUTE. A distributee includes a Member or former Member. In addition, the Member's or former Member's surviving Spouse and the Member's or former Member's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the Spouse or former Spouse.
- (4) DIRECT ROLLOVER. A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

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Article X. Plan Administration

10.1 Powers

The Committee shall have all powers necessary to discharge its duties in administering the Plan including, but not by way of limitation, discretionary authority with respect to the following powers:

- (a) to construe and interpret the Plan;
- (b) to determine all questions regarding the status and rights of Members and Beneficiaries, including questions relating to age, Vesting Service, eligibility, or Salary;
- (c) to make and enforce such rules and regulations as it shall deem necessary or proper for efficient administration of the Plan; and
- (d) to retain counsel, employ agents, and actuaries and provide for such clerical, medical, accounting, auditing, and other services as it may require in carrying out the provisions of the Plan;

provided, however, that no member of the Committee shall participate in any action on any matter involving solely his or her own rights or benefits or those of his or her Spouse or children, and such matters shall be determined by the other members of the Committee. The Committee may delegate any or all of its powers under this Article X to an agent designated under section 10.1(d). Any such designation shall be in writing, signed by the Secretary of the Committee.

10.2 Directions to Trustee

The Committee shall direct the Trustee concerning all payments which shall be made out of the Thrift Trust pursuant to the provisions of the Plan. Any direction to the Trustee shall be in writing, signed by the Secretary of the Committee or any member thereof, or any agent to whom authority has been delegated. The Trustee shall act in a manner consistent with any such direction that is proper, made in accordance with the Plan, and not contrary to ERISA.

10.3 Uniform Rules

All rules adopted and all actions taken by the Committee shall be uniform in nature as applied to all persons similarly situated and shall not discriminate in favor of Employees who are officers, shareholders, or highly compensated employees.

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10.4 Reports

The Committee shall keep on file, in such form as it shall deem convenient and proper, all reports of the Thrift Trust received from the Trustee. The Committee shall give to each Member a written report of the amount of his or her Account at annual or more frequent intervals. Additional reports may be given to a Member by telephone.

10.5 Compensation

Members of the Committee shall not receive compensation for their service in connection with the Plan, but the Company shall reimburse them for any necessary expenses incurred in the discharge of their duties.

10.6 Claims Procedure

- (a) Claims for benefits under the Plan shall be made in writing to the Committee. If the Committee wholly or partially denies a claim for benefits, the Committee shall, within a reasonable period of time, but no later than 90 days after receipt of the claim, notify the claimant in writing of the denial of the claim. Notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall contain (1) the specific reason or reasons for denial of the claim, (2) a specific reference to the pertinent Plan provisions upon which the denial is based, (3) a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary, and (4) an explanation of the Plan's review procedure. If notice of the denial of a claim is not furnished in accordance with this subsection (a) within 90 days after the Committee receives it, the claim shall be deemed denied and the claimant shall be permitted to proceed to the review stage described

in subparagraph (b) below.

- (b) Within 60 days after the claimant receives the written notice of denial of the claim, or the date the claim is deemed denied pursuant to subsection (a) above, or such later time as shall be deemed reasonable taking into account the nature of the benefit subject to the claim and other attendant circumstances, or within 60 days after the claim is deemed denied as set forth above, if applicable, the claimant may file a written request with the Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits, including the holding of a hearing, if deemed necessary by the Committee. In connection with the claimant's appeal of the denial of the claimant's benefit, the claimant may review pertinent documents and may submit issues and comments in writing. The Committee shall render a decision on the appeal promptly, but not later

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than 60 days after the receipt of the claimant's request for review, unless special circumstances (such as the need to hold a hearing, if necessary) require an extension of time for processing, in which case the 60-day period may be extended to 120 days. The Committee shall notify the claimant in writing of any such extension. Such decision shall (1) include specific reasons for the decision, (2) be written in a manner calculated to be understood by the claimant, and (3) contain specific references to the pertinent Plan provisions upon which the decision is based.

10.7 Indemnity for Liability

The Company shall indemnify the Committee and each other fiduciary who is an Employee of the Company, against any and all claims, losses, damages, expenses, including counsel fees, incurred by said fiduciaries, and any liability, including any amounts paid in settlement with such a fiduciary's approval, arising from the fiduciary's action or failure to act, except when the same is judicially determined to be attributable to the gross negligence or willful misconduct of such fiduciary.

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Article XI. Amendment and Termination

11.1 Amendment

The Company reserves the right at any time and from time to time to amend the Plan in whole or in part either retroactively or prospectively by action of the Board of Directors or action of the Executive Committee of the Board of Directors, but no such amendment shall authorize or permit any part of the corpus or income of the Thrift Trust to be used for or diverted to purposes other than for the exclusive benefit of Members or their Beneficiaries, or to deprive any of them of any funds then held for his or her account.

11.2 Termination

It is the intention of the Company to continue the Plan and to make contributions thereto, but the Company reserves the right to terminate the Plan in whole or in part as of any Valuation Date by action of the Board of Directors or action of the Executive Committee of the Board of Directors and for any reason satisfactory to the Board of Directors. Upon partial or full termination, all affected Participants shall become fully vested, and upon permanent discontinuance of contributions by the Company, all Members shall become fully vested.

11.3 Merger, Sale

In the event of any merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Thrift Trust to another trust fund held under any other plan of deferred compensation maintained or to be established for the benefit of all or some of the Participants, the Plan shall be so merged or consolidated, or the assets of the Thrift Trust applicable to such Participants shall be so transferred, only if--

- (a) each Member would (if either the Plan or the other plan then terminated) receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated);
- (b) resolutions of the Board of Directors or of any new or successor employer of the affected Members, shall authorize such transfer of assets; and, in the case of the new or successor employer of the affected Members, its resolutions shall include an assumption of liabilities with respect to such Members' inclusion in the new employer's plan; and

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- (c) such other plan and trust are qualified under section 401(a) and exempt under section 501(a) of the Code.

In the event a portion of the business of the Company is sold or discontinued, the Board of Directors in its discretion may direct that all Members who are employed by the new owner of that portion of the business shall become fully vested.

11.4 Distribution Upon Termination

To the extent permitted under section 401(k)(10), in the event of the termination of the Plan, there shall be distributed to each Member, or to his or her Beneficiary in the case of a deceased Member, a benefit equal to the sum of the value of the Member's Account as of the Valuation Date on which termination occurs. If such benefits shall not exhaust the assets of the Thrift Trust, any remaining assets shall be allocated to the Matching Contribution Accounts of the

Members as though they were additional Company contributions, and in no event shall any such assets revert to the Company or any Participating Employer.

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Article XII. Extension of Plan to Affiliates

12.1 Participation in the Plan

Any Affiliate which desires to become a Participating Employer under the Plan may elect, with the consent of the Board of Directors, to become a party to the Plan and the related Thrift Trust by adopting the Plan for the benefit of its Eligible Employees, effective as of the date specified in such adoption. The adoption resolution or decision may contain such specific changes and variations in Plan or Trust Agreement terms and provisions applicable to such Participating Employer and its Employees as may be acceptable to the Board of Directors and the Trustee. However, the sole, exclusive right of any other amendment of whatever kind or extent to the Plan is reserved to the Board of Directors. The Board of Directors may amend specific changes and variations in the Plan or Thrift Trust terms and provisions as adopted by the Participating Employer in its adoption resolution without the consent of such Participating Employer. The adoption resolution or decision shall become, as to such adopting organization and its employees, a part of this Plan as then amended or thereafter amended and the related Pension Trust. It shall not be necessary for the adopting organization to sign or execute the original or then amended Plan and Thrift Trust. The coverage date of the Plan for any such adopting organization shall be that stated in the resolution or decision of adoption, and from and after such effective date, such adopting organization shall assume all the rights, obligations, and liabilities of an individual employer entity hereunder and under the Thrift Trust. The administrative powers and control of the Company, as provided in the Plan and Trust Agreement shall not be diminished by reason of the participation of any such adopting organization in the Plan and Trust Agreement.

12.2 Withdrawal from the Plan

Any Participating Employer may withdraw from the Plan and Thrift Trust after giving notice to the Board of Directors, provided the Board of Directors consents to such withdrawal. In the event of such a withdrawal, the Committee shall cause a valuation of the Trust Fund to be made to ascertain the value of assets of each of the Investment Funds which are attributable to Members who are Employees of the terminating Participating Employer or their Beneficiaries in the case of deceased Members and shall direct the Trustee to segregate assets of each of the Investment Funds which are deemed to be so attributable, together with all loans to such Members from the Thrift Trust, and to make distribution to the Members or their Beneficiaries as if the Plan had terminated with respect to the Members or their Beneficiaries of the terminating Participating Employer.

In the event such withdrawal constitutes a partial termination of this Plan, only the affected Participants shall have fully vested and nonforfeitable rights in the benefits to be provided by the allocations (unless they were already fully vested prior to the partial termination). Distribution may be implemented through continuation of the Thrift Trust, or transfer to another trust fund exempt from tax under section 501 of the Code, or to a group annuity contract qualified under Code section 401, or distribution may be made as an immediate cash payment; provided, however, that such distribution is permitted pursuant to section 401(k)(10) of the Code, and provided, further, that no such action shall divert any part of such fund to any purpose other than the exclusive benefit of the Employees of such Participating Employer.

Article XIII. Top-Heavy Provisions

The following provisions shall become effective in any Plan Year in which the Plan is determined to be a top-heavy plan.

- (a) DETERMINATION OF TOP-HEAVY. The Plan will be considered a top-heavy plan for the Plan Year if as of the last day of the preceding Plan Year (1) the account balances of Participants who are key employees (as defined in section 416(i) of the Code) exceeds 60 percent of the account balances of all Participants (the "60 Percent Test") or (2) the Plan is part of a required aggregation group and the required aggregation group is top-heavy. However, and notwithstanding the results of the 60 Percent Test, the Plan shall not be considered a top-heavy plan for any plan year in which the Plan is a part of a required or permissive aggregation group which is not top-heavy. The top-heavy ratio shall be computed pursuant to section 416(g) of the Code and the regulations issued thereunder. A "required aggregation group" is each plan of the Company in which a key employee is a participant and each other plan of the Company, if any, which enables such plan to meet the requirements of Code section 401(a)(4) or 410. The Company may treat any plan not required to be included in an aggregation group as being part of a "permissive aggregation group" if such group would continue to meet the requirements of Code sections 401(a)(4) and 410 with such plan being taken into account.
- (b) MINIMUM BENEFIT. The Company's contribution to a Participant's Matching Contribution Account under section 5.1 shall be increased as necessary so that it equals at least 3 percent of the Participant's "compensation" (as defined in section 5.2(f)(3)), except that this subsection (b) shall not apply if--
- (1) the Participant is also a participant in the Pension Plan,
 - (2) the Pension Plan is a top-heavy plan, and

- (3) the Participant receives from the Pension Plan the defined benefit minimum required under section 416(c)(1) of the Code.

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Article XIV. Miscellaneous Provisions

14.1 Spendthrift Provisions

The interests of Members and Beneficiaries in the Plan shall not be subject to the claims of any creditor, any Spouse for alimony or support, or others, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered, except that the interests of a Member may be subject to loans from the Thrift Trust to the Member.

Notwithstanding the foregoing, the Plan shall make all payments required by a qualified domestic relations order within the meaning of Code section 414(p). The Committee shall establish a procedure to determine the qualified status of a domestic relations order and to administer distributions under a qualified order. In no event shall a domestic relations order be determined to be a qualified domestic relations order if it requires the Plan to make distributions to an alternate payee prior to the date that a Participant attains "earliest retirement age." Notwithstanding the foregoing, the Plan may make a distribution to an alternate payee prior to the date that a Participant attains "earliest retirement age" if the qualified domestic relations order provides that the Plan and the alternate payee may agree in writing to the earlier distribution and the distribution is made pursuant to such a written agreement. For purposes of a qualified domestic relations order "earliest retirement age" means the date on which the earliest to occur of--

- (a) the date the Member is entitled to a distribution under this Plan, or terminates from employment,
- (b) the later of (i) the date the Member attains age 50, or (ii) the earliest date on which the Member could begin receiving benefits under this Plan if the Member separated from service.

14.2 Incompetency

Every person receiving or claiming benefits under the Plan shall be presumed to be mentally competent and of age until the Committee receives a written notice, in a form and manner acceptable to it, that such person is incompetent or a minor, and that a guardian, conservator, or other person legally vested with the care of his estate has been appointed. In the event that the Committee finds that any person to whom a benefit is payable under the Plan is unable to properly care for his or her affairs, or is a minor, then any payment due (unless a prior claim therefor shall have been made by a duly appointed legal representative) may be paid to the Spouse, a child, a parent, or a brother or sister, or to any person deemed by the Committee to be authorized to care for

such person otherwise entitled to payment.

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In the event a guardian, executor, administrator, or conservator of the estate of any person receiving or claiming benefits under the Plan shall be appointed by a court of competent jurisdiction, payments shall be made to such guardian, executor, administrator, or conservator provided that proper proof of appointment is furnished in a form and manner suitable to the Committee. Any payment made under the provisions of this section 14.2 shall be a complete discharge of any liability therefor under the Plan.

14.3 Unclaims Funds

Each Participant shall keep the Committee informed of the Participant's current address and the current address of the Participant's Spouse and Beneficiaries. Neither the Company or any Affiliate, the Committee, nor the Trustee shall be obligated to search for the whereabouts of any such person. If the then current location of a Participant is not made known to the Committee within three years after the date on which the Committee directs the distribution to the Participant of the Participant's Accounts, distribution may be made as though the Participant had died at the end of the three-year period. If, within one additional year after such three-year period has elapsed, or within three years after the actual death of a Participant, the Committee is unable to locate any individual who would receive a distribution upon the death of the Participant pursuant to Article VIII, the Participant's Accounts shall be deemed a Forfeiture and shall be used to reduce Company contributions to the Plan for the Plan Year next following the year in which the Forfeiture occurs; provided, however, that if the Participant, Beneficiary, or Spouse makes a claim at any time for any amount that has been so forfeited, the forfeited benefits shall be reinstated. The amount required to restore such benefits shall be made up from Forfeitures and, to the extent necessary, Company or Participating Employer contributions prior to their allocation pursuant to section 5.4.

14.4 Rights Against the Company

Neither the establishment of the Plan, nor of the Thrift Trust, nor any modification thereof, nor any distributions hereunder shall be construed as giving to any person whomsoever any legal or equitable rights against the Committee, the Company, or the officers, directors, or shareholders as such of the Company, or as giving any Employee or Member the right to be retained in the employ of the Company. All benefits payable under the Plan shall be paid or provided for solely from the Thrift Trust, and the Company shall have no liability or responsibility for benefit distributions other than to make contributions to the Thrift Trust as herein provided.

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14.5 Illegality of Particular Provision

The illegality of any particular provision of this Plan shall not affect the other provisions thereof, but the Plan shall be construed in all respects as if such invalid provision were omitted.

14.6 Effect of Mistake

In the event of a mistake or misstatement as to the age, eligibility, compensation, service or participation of a Member or the amount of distributions made or to be made to a Member or other person, the Committee shall, to the extent it deems possible, cause to be withheld or accelerated, or otherwise make adjustment of, such amounts as will in its judgment accord to such Member or other person, or distribution to which he or she is properly entitled under the Plan.

14.7 No Discrimination

Whenever in the administration of the Plan action by the Committee is required with respect to eligibility or classification of Employees, contributions, or benefits, such action shall be uniform in nature as applied to all persons similarly situated, and no such action shall discriminate in favor of Employees who are Highly Compensated Employees.

14.8 Exclusive Benefit of Members

(a) All contributions made pursuant to the Plan shall be held by the Trustee in accordance with the terms of the Thrift Trust for the exclusive benefit of those Employees who are Participants under the Plan, including former Employees, Beneficiaries, and Spouses, and shall be applied to provide benefits under the Plan and to pay expenses of administration of the Plan and the Thrift Trust to the extent that such expenses are not otherwise paid. At no time prior to the satisfaction of all liabilities with respect to such Participants, former Employees, Beneficiaries, and Spouses shall any part of the Trust (other than such part as may be required to pay administration expenses) be used for, or diverted to, purposes other than the exclusive benefit of such Participants, former Employees, Beneficiaries, and Spouses.

(b) Notwithstanding section 14.8(a)--

(1) if a contribution by the Company or a Participating Employer is conditioned upon the deductibility of such contribution under section 404 of the Code, then, to the extent the deduction is disallowed, the Trustee shall, upon written request of the Company or Participating Employer making the contribution, return the contribution to the

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extent disallowed to the Company or Participating Employer within one year after the date the deduction is disallowed;

- (2) if a contribution, or any portion thereof, by the Company or a Participating Employer is made by mistake of fact, the Trustee shall, upon written request of the Company or Participating Employer, return the contribution or the portion to the Company or Participating Employer within one year after the date of payment to the Trustee; and
- (3) earnings attributable to amounts to be returned to the Company or Participating Employer pursuant to paragraph (1) or (2) shall not be returned to the Company or Participating Employer, and losses attributable to amounts to be returned pursuant to paragraph (1) or (2) shall reduce the amount to be so returned.

14.9 Governing Law

The provisions of the Plan shall be construed, administered, and enforced in accordance with the laws of Illinois, to the extent such laws are not superseded by laws of the United States. All Employer Contributions to the Trust shall be deemed to be made in Illinois.

* * * * *

In Witness Whereof, the Company has caused this Plan to be executed on its behalf by its duly authorized officer this 21st day of November, 1995.

THE NORTHERN TRUST COMPANY

By /s/ Martin Joyce Jr.

ATTEST:

By /s/ Mary T. Jamieson

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AMENDMENT NUMBER ONE
TO
THE NORTHERN TRUST COMPANY
THRIFT-INCENTIVE PLAN

WHEREAS, The Northern Trust Company (the "Company") maintains The Northern Trust Company Thrift-Incentive Plan, as amended and restated effective January 1, 1989 (the "Plan"); and

WHEREAS, amendment of the Plan is now deemed desirable in order to clarify certain provisions of the Plan;

NOW, THEREFORE, by virtue and in exercise of the amending power reserved to the Company under Section 11.1 of the Plan, and pursuant to the authority delegated to the undersigned officer in a resolution of the Board of Directors dated July 18, 1995, the Plan is hereby amended effective January 1, 1989, or as otherwise indicated below, in the following particulars:

1. Section 3.4(a) is amended in its entirety to read as follows:

"(a) Vesting Service shall be computed on the following bases: (i) prior to July 1, 1993, an Employee shall receive credit for each calendar quarter during which the Employee earned at least one (1) Hour of Service or otherwise would receive credit for Vesting Service pursuant to this subsection (b) below; and (ii) from and after July 1, 1993, an Employee shall receive credit for each calendar month during which the Employee earned at least one (1) Hour of Service or otherwise would receive credit for Vesting Service pursuant to subsection (b) below."

2. Section 3.4(b) (i) is amended in its entirety to read as follows:

"(i) an approved absence of up to 12 months from the Company or an Affiliate (e.g. vacation, paid holiday, sick, short term disability, long term disability, Family Medical Leave, unpaid leave of absence) that is granted according to uniform and nondiscriminatory standards."

3. Section 3.4(b) (ii) is deleted in its entirety.

4. Section 3.4(b) (iii) is redesignated as 3.4(b) (ii) and amended in its entirety to read as follows:

"(ii) a period of up to one (1) year during which an Employee is on Parental Leave; and"

5. Section 3.4(b) (iv) is redesignated as 3.4(b) (iii).

6. Section 3.6(b) is amended to delete the words "or Credited Service" in the first and last sentences, and to add the word "or" immediately before "Vesting Service" in the last sentence.

7. Section 4.5 is amended in its entirety to read as follows, effective November 21, 1995:

"4.5 TREATMENT OF ASSOCIATED MATCHING CONTRIBUTIONS.

Any matching contribution that is associated with a Salary Reduction Contribution made by the Company for a Highly Compensated Participant that is reduced for a Plan Year pursuant to Section 4.3(c) shall be forfeited, and shall be treated as a Forfeiture in accordance with Section 5.4."

8. Section 6.6 is amended to delete the word "the" immediately before "several Investment Funds" in the first sentence.

9. Section 8.7(b) is amended to add the words "in the order designated:" at the end of the first sentence.

10. Section 8.7(b) is amended to delete the word "is" in the first sentence of the last paragraph.

11. Section 8.7(c) is amended to replace the last sentence of the last paragraph with the following, effective March 14, 1995:

"After calendar year 1993, and until March 14, 1995, the minimum amount which a Participant may withdraw from his or her Plan Accounts as of right under Section 8.7(a) is \$1,000 per withdrawal, with the Accounts being valued as of the preceding Valuation Date."

12. Section 8.8 (a) (3) is amended in its entirety to read as follows, effective January 1, 1995:

"(3) payment of tuition, room and board and related educational fees for the next 12 months of post-secondary education for the Participant or his or her Spouse, children, or dependents,"

13. Section 8.8(c) is amended to replace the second full paragraph with the following, effective January 1, 1995:

"The Committee shall determine the place, in the foregoing order, for any other Fund established pursuant to Section 6.1. Before January 1, 1995, a Participant may withdraw from his or her Account no more than six times in a calendar year; provided, however, that the Committee shall not accept applications for hardship withdrawals during February 1995. After January 1, 1995 there are no limits on the number of hardship withdrawals. A Participant's directions for withdrawals shall be subject to such

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reasonable and nondiscriminatory deadlines and in such written, electronic or other form as the Committee shall determine."

14. Section 8.9(a) is amended to replace the last sentence of the first paragraph with the following, effective November 21, 1995:

"The amount of the loan shall not exceed \$50,000, reduced by the excess, if any, of--

(1) the highest outstanding balance of all loans to the Participant from the Plan during the one-year period ending on the day immediately before the

date on which the loan was made, over

- (2) the outstanding balance of all loans from the Plan to the Participant on the date on which the loan was made;

provided, however, that no loan shall be made to a Participant if the aggregate amount of that loan and the outstanding balance of any other loan to the Participant from the Plan would exceed one-half of the total vested balance of the Participant's Accounts under the Plan as of the date the loan is made."

15. Section 8.9(f) is amended in its entirety to read as follows:

- (f) "If the unpaid balance of principal and interest on any loan is not paid at the expiration of its term, or upon acceleration in accordance with Section 8.9(e), a default shall occur and the vested portion of the Participant's Accounts shall be applied in satisfaction of such loan obligation, but only to the extent that such vested interest is then distributable."

16. Section 14.1 is amended to replace the second full paragraph with the following:

"Notwithstanding the foregoing, the Plan shall make all payments required by a qualified domestic relations order within the meaning of Code section 414(p). The Committee shall establish a procedure to determine the qualified status of a domestic relations order and to administer distributions under a qualified order. If the qualified domestic relations order so provides, the Plan may make a distribution to an alternate payee prior to the date that a Member attains "earliest retirement age." For purposes of a qualified domestic relations order, "earliest retirement age" means the earlier of--

- (a) the date the Member is entitled to a distribution under this Plan, or
(b) the later of (i) the date the Member attains age 50, or (ii) the earliest date on which the Member could begin receiving benefits under this Plan if the member separated from service."

17. Schedule A is amended to add "01/04/85" immediately after "Purchase of Master Trust Services Unit of FNBC" in the "Affiliate Name" column.

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IN WITNESS WHEREOF, the Company has caused this amendment to be executed on its behalf by the undersigned officer this 21st day of November, 1995.

/s/ Martin J. Joyce, Jr.

Martin J. Joyce, Jr.
Senior Vice President

AMENDMENT NUMBER TWO
TO
THE NORTHERN TRUST COMPANY
THRIFT-INCENTIVE PLAN

WHEREAS, The Northern Trust Company (the "Company") maintains The Northern Trust Company Thrift-Incentive Plan, as amended and restated effective January 1, 1989 (the "Plan"); and

WHEREAS, by virtue and in exercise of the amending power reserved to the Company under Section 11.1 of the Plan, the Board of Directors amended the Plan by resolution dated December 19, 1995, and authorized the undersigned officer to prepare and execute an amendment implementing such resolution;

NOW, THEREFORE, the Plan is amended effective January 1, 1996, except as otherwise indicated below, in the following particulars:

1. Schedule A of the Plan is amended by adding "Tanglewood Bank, N.A. Acquired July 31, 1995" to the end of the Affiliate Name column, and by adding "DOH w/Tanglewood (before or after acquisition)" to the end of the TIP Earliest Vesting Date column.

2. The following Supplement #1 is added to the Plan, immediately following Schedule A thereof:

"SUPPLEMENT #1

Special Rules for Former Employees of
Tanglewood Bank, N.A.

This Supplement #1 to The Northern Trust Company Thrift-Incentive Plan, as amended and restated effective as of January 1, 1989 (the "Plan"), is made a part of the Plan and supersedes any provisions thereof to the extent that they are not consistent with this Supplement. Unless the context clearly implies or indicates to the contrary, a word, term or phrase used or defined in the Plan is similarly used or defined for purposes of this Supplement #1.

1. Effective Date. January 1, 1996.

2. Application. This Supplement #1 shall apply to individuals who immediately after the July 31, 1995 acquisition were employees of Tanglewood Bank, N.A., or who had Account balances under the Tanglewood Bank, N.A. Employees' Salary Deferral Plan (the "Tanglewood

Plan") which were transferred to this Plan (each such individual hereafter referred to as a "Tanglewood Participant").

3. Special Provisions. The following special provisions shall apply to Tanglewood Participants:

- (a) Participation: Each Tanglewood Participant who was eligible to participate in the Tanglewood Plan immediately prior to the effective date of this Supplement #1 shall be eligible to participate in the Plan on January 1, 1996. All other Tanglewood Participants shall be eligible to participate in the plan in accordance with its terms.
- (b) Vesting Service: A Tanglewood Participant's Vesting Service shall be equal to the sum of his Vesting Service under the Tanglewood Plan on December 31, 1995, plus his Vesting Service determined under section 3.4 of the Plan, if any, for periods after that date.
- (c) Minimum Vested Interest: A Tanglewood Participant shall vest in his Account balance under the Plan in accordance with subsection 2.1(zz); provided, however, in no event shall his vested interest in his Account balance be less than that determined under the vesting schedule set forth below:

Years of Vesting Service -----	Vested Percentage -----
Less than 2 years	0%
2 years but less than 3 years	40%
3 years but less than 4 years	50%
4 years but less than 5 years	60%
5 years but less than 6 years	70%
6 years but less than 7 years	80%
7 or more years	100%

- (d) Investment of Tanglewood Plan Account. Notwithstanding the provisions of section 6.1 of the Plan, in no event shall a Tanglewood Participant have the right to direct investment of the portion of his Account balance attributable to the Tanglewood Plan until such time as the assets of the Tanglewood Plan are transferred into the Thrift Trust.
- (e) Optional Forms of Distribution. In addition to the lump sum distribution provided under section 9.1 of the Plan, if the vested interest in a Tanglewood Participant's Accounts is greater than \$3,500, the Tanglewood Participant may

elect to receive a distribution of his vested Account balance under the Plan in one of the following methods:

- (i) in a series of substantially equal monthly, quarterly, semiannual or annual installments over a period not exceeding the Tanglewood Participant's life expectancy (or the life expectancy of the Tanglewood Participant and his designated Beneficiary); or
 - (ii) by purchase from an insurance company and distribution to him of an annuity contract providing for periodic distributions to him or to him and his Beneficiary for his life (with or without a period certain) or their joint lives, subject to the provisions of subsection (f) below.
- (f) Special Rules Regarding Annuity Elections. If a married Tanglewood Participant elects distribution in the form of an annuity pursuant to paragraph (e)(ii) above, the following rules shall apply and shall supersede any other provision of the Plan to the contrary:
- (i) The vested portions of the Tanglewood Participant's Accounts, less any outstanding loan balance distributable in accordance with subsection 8.9(f) of the Plan, shall be used to purchase a nontransferable "Joint and Survivor Annuity" (that is, an annuity payable for the life of the Tanglewood Participant with a survivor annuity payable for the life of his Spouse which is not less than 50 percent of the amount of the annuity payable during the joint lives of the Tanglewood Participant and Spouse), unless the Tanglewood Participant elects another form of annuity and, if applicable, a Beneficiary other than his Spouse, with the consent of his Spouse to such form and Beneficiary. Such election to waive the Joint and Survivor Annuity shall not be effective if it is made more than 90 days prior to the date as of which benefit payments are to commence (the "Distribution Date") or if it is made prior to receipt of a written explanation from the Committee of the terms and conditions of the Joint and Survivor Annuity, the effect of an election of a different annuity form, and the Tanglewood Participant's right to consider such election for a period of 30 days, and benefits shall not commence until at least 7 days have elapsed after receipt of such written information.
 - (ii) No consent by the Spouse to the election of a form of annuity other than the Joint and Survivor Annuity and, if applicable, Beneficiary other than the Spouse shall be effective unless it is in writing, acknowledges the effect of such consent and is witnessed by a notary public (unless the Committee determines that there is no Spouse, that the Spouse cannot be located or that consent may be waived because of such other

section 417).

- (iii) During the period between his election of an annuity and his Distribution Date, no loan may be made to a Tanglewood Participant pursuant to section 8.9, no amount may be withdrawn by the Tanglewood Participant pursuant to section 8.7 or 8.8 and no amount may be distributed to the Tanglewood Participant pursuant to section 9.3, in any form other than a Joint and Survivor Annuity, without the written consent of the Spouse as provided in paragraph (f)(ii) above.
- (iv) Subject to paragraph (f)(v) below, if the Tanglewood Participant dies during the period between his election of an annuity and his Distribution Date, the vested portions of his Accounts (less any amounts distributed in accordance with subsection 8.9(f) of the Plan) shall be paid to his Spouse in the form of a life annuity as of the Valuation Date next following the date the Participant would have attained age 65 or, if the Spouse so elects, as soon as practicable after the Valuation Date next following his death; provided, however, that a Spouse to whom payment is due under this paragraph (iv) may elect to have such vested portions, if any, distributed in the form of a lump sum payment.
- (v) The provisions of paragraph (f)(iv) above shall not apply, and distribution upon the death of the Tanglewood Participant shall be made in accordance with paragraph 8.6(b)(2), if the Spouse consents to the designation of a Beneficiary other than the Spouse in accordance with section 8.2 during the period between the Tanglewood Participant's election of an annuity and his death, and acknowledges that such consent to the Tanglewood Participant's designation of such Beneficiary constitutes the Spouse's consent to the Tanglewood Participant's waiver of a qualified preretirement survivor annuity payable to the Spouse in accordance with section 417 of the Code.
- (vi) A Tanglewood Participant may revoke his election pursuant to this subsection (f), and may make a new election of any form of distribution permitted under the Plan and this Supplement #1, at any time during the election period described in paragraph (f)(i) above; provided, however, that if the effect of such revocation is to select a distribution form other than a Joint and Survivor Annuity, it shall be ineffective without the written consent of his Spouse in accordance with paragraph (f)(ii) above to the new form of distribution and, if applicable, a Beneficiary other than the Spouse.

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- (vii) A Spouse's consent in accordance with paragraph (f)(ii) above shall be irrevocable.

IN WITNESS WHEREOF, the Company has caused this amendment to be executed on its behalf by the undersigned officer as of the 19th day of December, 1995.

/s/ Martin J. Joyce, Jr.

Martin J. Joyce, Jr.
Senior Vice President

THE NORTHERN TRUST COMPANY
MASTER RETIREMENT SAVINGS TRUST

THIS AGREEMENT is made effective as of the 21 day of December, 1994, between THE NORTHERN TRUST COMPANY, an Illinois corporation of Chicago, Illinois herein referred to as the "Company", and THE NORTHERN TRUST COMPANY, an Illinois corporation of Chicago, Illinois, as Trustee, and constitutes a restatement into a trust agreement known as the THE NORTHERN TRUST COMPANY MASTER RETIREMENT SAVINGS TRUST agreement of the The Northern Trust Company Thrift Incentive Plan Trust which was heretofore made by the Company and its Subsidiaries and under which the Trustee is accepting appointment as successor trustee.

With respect to each Plan for which this agreement is adopted by the Company or a Subsidiary as the funding medium, the Company shall appoint the Trustee as successor under the trust agreement which is the predecessor funding medium for the Plan, shall direct the Trustee as successor under that trust agreement to add the assets held thereunder to the assets of the Trust Fund and shall appoint the Administrative Committee as the fiduciary which has the responsibility for administering the Plan and the Investment Committee as the fiduciary which has the responsibility for Plan investments.

The Trust Fund shall consist of all assets held by the Trustee as of the date of this agreement or hereafter acquired by the Trustee as trustee or successor trustee under any other trust agreement made by the Company or by a Subsidiary in connection with a Plan for which this agreement is adopted as the funding medium, all investments and reinvestments thereof and all additions thereto by way of contributions, earnings and increments, and shall be held upon the following terms:

ARTICLE ONE: DEFINITIONS

For the purposes of this agreement:

1.1 "Administrative Committee" means the Employee Benefit Administrative Committee as constituted from time to time which has the responsibility for administering the Plan and shall be deemed for purposes of ERISA to be the Plan administrator and the named fiduciary for Plan administration;

1.2 "Beneficiary" means a person designated to receive a benefit under a Plan after the death of a Participant;

1.3 "Code" means the Internal Revenue Code of 1986, as amended;

1.4 "Company" means THE NORTHERN TRUST COMPANY and any corporation which is the successor thereto;

1.5 "Company Stock" means common stock of the Company;

1.6 "Custodial Agent" means one or more persons or entities designated by the Investment Committee to maintain custody of assets of a Separate Investment Account pursuant to 3.1(c);

1.7 "ERISA" means the Employee Retirement Income Security Act of 1974 as in effect from time to time and the regulations issued thereunder;

1.8 "Investment Adviser" means an Investment Manager or an Investment Trustee to whom the Investment Committee has delegated investment responsibility for a Separate Account or the Investment Committee with respect to any assets for which the Investment Committee has investment responsibility;

1.9 "Investment Committee" means the Employee Benefit Administrative Committee as constituted from time to time which has the responsibility for allocating the assets of the Trust Fund among the Separate Accounts and any Trustee Investment Accounts, for monitoring the diversification of the investments of the Trust Fund, for determining the propriety of investment of the Trust Fund in foreign securities and of maintaining the custody of foreign investments abroad, for assuring that the Plan does not violate any provisions of ERISA limiting the acquisition or holding of "employer securities" or "employer real property" and for the appointment and removal of Investment Advisers and shall be deemed for purposes of ERISA to be named fiduciary for Plan investments;

1.10 "Investment Fund" shall mean each of the Investment Funds designated by the Investment Committee pursuant to ARTICLE FIVE; any of such Investment Funds may be composed of one or more Separate Accounts and Trustee Investment Accounts designated by the Investment Committee;

1.11 "Investment Manager" means an investment manager registered as an investment advisor under the Investment Advisers Act of 1940, a bank as defined in that Act or an insurance company qualified to manage, acquire or dispose of any asset of the Trust Fund, which is appointed by the Investment Committee to manage a Separate Investment Account; but the Trustee shall have no responsibility to determine whether a person or entity acting as an Investment Adviser meets or continues to meet this definition;

1.12 "Investment Trustee" means the trustee appointed by the Investment Committee to manage a Separate Investment Trust Account;

1.13 "Participant" means a person who is an employee or former employee of the Company or of a Subsidiary and who is or was actually participating in the

Plan;

1.14 "Plan" means the The Northern Trust Company Thrift Incentive Plan and any separate savings plan for employees of the Company or of a Subsidiary for which this agreement has been adopted as the funding medium;

1.15 "Plan Account" means the interest of each Plan in the Trust Fund;

1.16 "Separate Account" means a Separate Investment Account, a Separate Investment Trust Account or a Separate Insurance Contract Account;

1.17 "Separate Insurance Contract Account" means assets of the Trust Fund allocated by the Investment Committee to a Separate Account for investment in insurance contracts directed by the Investment Committee:

1.18 "Separate Investment Account" means assets of the Trust Fund allocated by the Investment Committee to a Separate Account to be managed by an Investment Manager or the Investment Committee;

1.19 "Separate Investment Trust Account" means assets of the Trust Fund allocated by the Investment Committee to a Separate Account to be managed by an Investment Trustee;

1.20 "Subsidiary" means a subsidiary or affiliate of the Company;

1.21 "Subtrust" means assets of a Separate Investment Account which are held by a Subtrustee pursuant to an agreement which the Investment Committee has approved and directed the Trustee to enter into;

1.22 "Subtrustee" means the trustee appointed by the Investment Committee to act as trustee of a Subtrust;

1.23 "Trust Fund" means all assets subject to this agreement;

1.24 "Trustee" means THE NORTHERN TRUST COMPANY and any successor to it as trustee or trustees of the Trust Fund under this agreement; and

1.25 "Trustee Investment Account" means assets of the Trust Fund for which investment responsibility has been allocated by the Investment Committee to the Trustee with the written consent of the Trustee.

ARTICLE TWO: VALUATION AND ALLOCATION

The Trustee shall hold the Trust Fund as a commingled fund or commingled funds in which each separate Plan shall be deemed to have a proportionate undivided interest in the fund or funds in which it participates, except that each fund or asset identified by the Administrative Committee as allocable to a particular Plan Account, herein referred to as an "identified fund" or

"identified asset", and income, appreciation or depreciation and expenses attributable to a particular Plan Account or to an identified asset thereof, shall be allocated or charged to that Plan Account. Contributions shall be designated by the Administrative Committee as allocable, and distributions shall be designated by the Administrative Committee as chargeable, to a particular Plan Account and shall be so allocated or charged. Upon the direction of the Administrative Committee the Trustee shall periodically determine the value of each Plan Account on such basis as the Trustee and the Administrative Committee shall from time to time agree (considering the fair market value of the assets initially received from the predecessor trustee or the Company with respect to the Plan and subsequent contributions and distributions, net income, net appreciation or depreciation and expenses attributable to the Plan) and shall render a statement thereof to the Administrative Committee within 120 days after each valuation date.

ARTICLE THREE: DISTRIBUTIONS

The Trustee shall make distributions from the Trust Fund to such persons, in such amounts (but not exceeding the then value of the Plan Account to which the distribution is chargeable), at such times and in such manner as the Administrative Committee or its designee shall from time to time direct pursuant to a separate Benefit Payment Agency Agreement executed by the Company, the Administrative Committee and the Trustee. The Trustee shall have no responsibility to ascertain whether any direction received by the Trustee from the Administrative Committee or its designee in accordance with the preceding sentence is proper and in compliance with the terms of the Plan or to see to the application of any distribution. The Trustee shall not be liable for any distribution made in good faith without actual notice or knowledge of the changed condition or status of any recipient. If any distribution made by the Trustee is returned unclaimed, the Trustee shall notify the Administrative Committee or its designee and shall dispose of the distribution as the Administrative Committee or its designee shall direct. The Trustee shall have no obligation to search for or ascertain the whereabouts of any payee of benefits of the Trust Fund.

Notwithstanding the foregoing, the Administrative Committee may make distributions from the Trust Fund through a commercial banking account in a federally insured banking institution (including the Trustee) established by the Administrative Committee for such purpose after written notice to the Trustee that the commercial banking account has been so established. Upon such written notice, the Administrative Committee shall have the responsibility to assure that any such commercial banking

account is established and maintained in accordance with ERISA and is properly insured. The Trustee shall make such deposits from the Trust Fund to the commercial banking account as the Administrative Committee or its designee may from time to time direct. The Trustee shall have no responsibility to account

for funds held in or disbursed from any such commercial banking account, or to prepare any informational returns for tax purposes as to distributions made therefrom.

ARTICLE FOUR: SEPARATE ACCOUNTS AND INVESTMENT ADVISERS

The Trust Fund shall consist of one or more Separate Accounts and, with the Trustee's written consent, one or more Trustee Investment Accounts. All Separate Accounts and any Trustee Investment Accounts shall be established by the Trustee at the direction of the Investment Committee. The Investment Committee shall designate assets of the Trust Fund to be allocated to each Separate Account and each Trustee Investment Account and shall direct the Trustee with respect to any transfer of assets between Separate Accounts or between a Separate Account and a Trustee Investment Account; provided that no asset shall be allocated or transferred to the Trustee Investment Account without the Trustee's written consent. The Investment Committee shall have investment responsibility for any assets of the Trust Fund not otherwise allocated to a Separate Account or Trustee Investment Account, and such assets shall comprise a Separate Investment Account for which the Investment Committee serves as Investment Adviser. The following provisions shall apply to the Separate Accounts:

4.1 With respect to each Separate Investment Account, the Investment Committee shall appoint an Investment Adviser, who shall acknowledge by a writing delivered to the Investment Committee and to the Trustee that the Investment Adviser is a fiduciary with respect to the assets allocated thereto. The Trustee shall act with respect to assets allocated to a Separate Investment Account only as directed by the Investment Adviser. The Investment Committee may direct that any or all of the assets of a Separate Investment Account be held by a Subtrustee. The Trustee shall have custody of and custodial responsibility for all assets of the Trust Fund held in a Separate Investment Account except as otherwise provided in this agreement or as follows:

(a) The Subtrustee of a Subtrust shall have custody of and custodial responsibility for any assets of a Separate Investment Account allocated to it by the Investment Committee;

(b) The trustee of a collective or group trust fund (including without limitation an Investment Manager or its bank affiliate) shall have custody of and custodial responsibility for any assets of a Separate Investment Account invested in such collective or group trust fund; and

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(c) The Investment Committee may direct in writing that the custody of additional assets of such Separate Investment Account (other than those referred to in paragraphs (a) and (b) of this Section 4.1) be maintained with a Custodial Agent. In such event, the Investment Committee shall approve, and direct the Trustee to enter into, a custody agreement with the Custodial Agent (which custody agreement may authorize the Custodial Agent to maintain custody of such

assets with one or more subagents, including a broker or dealer registered under the Securities Exchange Act of 1934 or a nominee of such broker or dealer). The Custodial Agent shall have custodial responsibility for any assets maintained with the Custodial Agent or its subagents pursuant to the custody agreement. Notwithstanding any other provision of this agreement, the Company (which has the authority to do so under the laws of its state of incorporation) agrees to indemnify THE NORTHERN TRUST COMPANY from any liability, loss and expense, including legal fees and expenses, which THE NORTHERN TRUST COMPANY may sustain by reason of acting in accordance with any directions of the Investment Committee pursuant to this paragraph (c). This paragraph shall survive the termination of this agreement.

4.2 With respect to each Separate Investment Trust Account, the Trustee and the Investment Trustee thereof shall upon the direction of the Investment Committee execute an investment trust agreement with respect thereto. The Investment Trustee shall have custody of all of the assets of the Separate Investment Trust Account except such assets as the Investment Committee may from time to time determine shall be held in the custody of the Trustee with the Trustee's written consent; the Trustee shall act with respect to any such assets in its custody only as directed by the Investment Trustee.

4.3 With respect to each Separate Insurance Contract Account, from assets allocated thereto the Trustee shall purchase or continue in effect such insurance contracts as the Investment Committee shall direct, the issuing insurance company may credit those assets to its general account or to one or more of its separate accounts, and the Trustee shall act with respect to those contracts only as directed by the Investment Committee.

4.4 The Investment Committee shall have investment responsibility for assets held in any Separate Account for which an Investment Manager or Investment Trustee has not been retained, has been removed, or is for any reason unwilling or unable to act. With respect to assets or Separate Accounts for which the Investment Committee has investment responsibility, the Trustee, acting only as directed by the Investment Committee, shall enter into such agreements as are necessary to facilitate any investment, including agreements entering into a limited partnership, Subtrust or the participation in real estate funds. The Trustee shall not make any investment review of, or consider the propriety of holding or selling, or vote any assets for which the Investment Committee has investment responsibility.

4.5 With respect to each Separate Account, the Investment Adviser thereof shall have the investment powers granted to the Trustee by ARTICLE SIX, as limited by 7.1 through 7.3 of ARTICLE SEVEN, as if all references therein to the Trustee referred to the Investment Adviser.

4.6 The Investment Committee may also direct the Trustee as fiduciary to lend securities of the Trust Fund held by the Trustee by entering into a written agreement with the Trustee. The terms of the agreement between the Investment

Committee and the Trustee shall be consistent with Department of Labor Prohibited Transaction Exemption 81-6 or any successor exemption. The written agreement between the Investment Committee and the Trustee shall direct the Trustee to enter into a loan agreement with a borrower or borrowers. The Trustee shall transfer securities to the borrower and invest or hold on behalf of the Trust Fund the collateral received in exchange for the securities. Notwithstanding anything in this agreement to the contrary, the borrower shall have the authority and responsibility to vote securities it has borrowed. The Trustee shall maintain a record of the market value of the loaned securities and shall be paid reasonable compensation as agreed to by the Trustee and the Investment Committee.

4.7 The Investment Committee may direct the Trustee to: (i) enter into such agreements as are necessary to implement investment in futures contracts and options on futures contracts; (ii) transfer initial margin to a futures commission merchant or third party safekeeping bank pursuant to directions from such Investment Adviser and (iii) pay or demand variation margin in accordance with industry practice to or from such futures commission merchant based on daily marking to market calculations. The Trustee shall have no investment or custodial responsibility with respect to assets transferred to a futures commission merchant or third party safekeeping bank.

ARTICLE FIVE: INVESTMENT FUNDS

The Trust Fund shall be composed of assets of the Northern Trust Stock Fund and any other Investment Funds as designated in writing by the Investment Committee. The Investment Committee is authorized to terminate the existing Investment Funds and establish new Investment Funds by giving advance written notice to the Trustee describing the fund to be terminated or established and the effective date thereof, provided that in no event shall the Trustee's duties be modified without its consent. The Investment Committee or its representative shall direct the Trustee with respect to the allocation of assets to Investment Funds and with respect to transfers among such Investment Funds. The Trustee shall use its best efforts to move funds as soon as practicable when transfers are delayed for any reason, but shall in no event be required to advance its own funds for such purpose. Pending directions from the Investment Committee to allocate contributions among the Investment Funds, the Trustee shall hold the contributions in a separate account invested in short term investments, including common or collective short term investment funds of the Trustee.

To the extent that any Investment Fund is invested in mutual fund shares or bank commingled funds, the Investment Committee shall initially select funds to be invested in and shall be responsible for retaining the availability of or terminating the availability of such funds. To the extent the Trustee is required to enter into a custody agreement with

the sponsor of a bank commingled fund or such other type of fund, the Investment

Committee shall direct the Trustee to enter into such agreement.

The Northern Trust Stock Fund shall be composed of investments in Company Stock. The Investment Committee shall notify the Trustee in writing of the amount of the fund to be maintained in the collective short term investment fund and the Trustee shall not be required to advance funds to make any transfers or distributions. Any cash held by the Trustee from time to time in the Northern Trust Stock Fund may be invested in common or collective short term investment funds of the Trustee.

ARTICLE SIX: POWERS OF TRUSTEE

Except as otherwise provided in this agreement, the Trustee shall hold, manage, care for and protect the assets of the Trust Fund and shall have until actual distribution thereof the following powers and, except to the extent inconsistent herewith, those now or hereafter conferred by law:

6.1. To retain any asset originally included in the Trust Fund or subsequently added thereto;

6.2 To invest and reinvest the assets without distinction between income and principal in bonds, stocks, mortgages, notes, options, futures contracts, options on futures contracts, limited partnership interests, participations in regulated investment companies (including those for which the Trustee or its affiliate is adviser), or other property of any kind, real or personal, foreign or domestic, and to enter into insurance contracts;

6.3 To deposit any part or all of the assets with the Trustee or its affiliate as trustee, or another person or entity acting as trustee of any collective or group trust fund which is now or hereafter maintained solely as a medium for the collective investment of funds of pension, profit sharing or other employee benefit plans, and which is qualified under Section 401(a) and exempt from taxation under Section 501(a) of the Code, and to withdraw any part or all of the assets so deposited; any assets deposited with the trustee of a collective or group trust fund shall be held and invested by the trustee thereunder pursuant to all the terms and conditions of the trust agreement or declaration of trust establishing the fund, which are hereby incorporated herein by reference and shall prevail over any contrary provision of this agreement;

6.4 To deposit cash in any depository, including the banking department of the Trustee or its affiliate and any organization acting as a fiduciary with respect to the Trust Fund;

6.5 To hold any part of the assets in cash without liability for interest, pending investment thereof or the payment of expenses or making of distributions therewith, notwithstanding the Trustee's receipt of "float" from such uninvested cash;

6.6 To cause any asset, real or personal, to be held in a corporate depository or federal book entry account system or registered in the Trustee's name or in the name of a nominee or in such other form as the Trustee deems best without disclosing the trust relationship;

6.7 To vote, either in person or by general or limited proxy, or refrain from voting, any corporate securities for any purpose; except that any security as to which the Trustee's possession of voting discretion would subject the issuing company or the Trustee to any law, rule or regulation adversely affecting either the company or the Trustee's ability to retain or vote company securities, shall be voted as directed by the Investment Committee, to exercise or sell any subscription or conversion rights; to consent to and join in or oppose any voting trusts, reorganizations, consolidations, mergers, foreclosures and liquidations and in connection therewith to deposit securities and accept and hold other property received therefor;

6.8 To lease any assets for any period of time though commencing in the future or extending beyond the term of the trust;

6.9 To borrow money from any lender, to extend or renew any existing indebtedness and to mortgage or pledge any assets;

6.10 To sell at public or private sale, contract to sell, convey, exchange, transfer and otherwise deal with the assets in accordance with industry practice, and to sell put and covered call options from time to time for such price and upon such terms as the Trustee sees fit; the Company acknowledges that the Trustee may reverse any credits made to the Trust Fund by the Trustee prior to receipt of payment in the event that payment is not received;

6.11 To employ agents, attorneys and proxies and to delegate to any one or more of them any power, discretionary or otherwise, granted to the Trustee;

6.12 To compromise, contest, prosecute or abandon claims in favor of or against the Trust Fund;

6.13 To appoint foreign custodians as agent of the Trustee to custody foreign securities holdings of any Separate Account established by the Investment Committee or of any Trustee Investment Account;

6.14 To lend securities held by the Trustee and to receive and invest collateral provided by the borrower, all pursuant to a written agreement with the Investment Committee;

6.15 To utilize any tax refund claim procedures with respect to taxes withheld to which the Trust Fund may be entitled under applicable tax laws, treaties and regulations; any exercise of such power by the Trustee shall be on a best efforts basis; and

6.16 To perform other acts necessary or appropriate for the proper administration of the Trust Fund, execute and deliver necessary instruments and give full receipts and discharges.

ARTICLE SEVEN: LIMITATIONS ON POWERS

For purposes of this agreement, the powers and responsibilities allocated to the Trustee shall be limited as follows:

7.1 The powers of the Trustee shall be exercisable for the exclusive purpose of providing benefits to the Participants and Beneficiaries under the Plans and in accordance with the standards of a prudent man under ERISA;

7.2 Subject to 7.1 and 7.3, the Trustee shall diversify the investments of that portion of the Trust Fund for which it has investment responsibility so as to minimize the risk of large losses;

7.3 Subject to 7.1, the Trustee shall, with respect to that portion of the Trust Fund for which it has investment responsibility, follow the investment guidelines established by the Investment Committee given in exercise of that Committee's responsibility;

7.4 Except as otherwise provided in 4.6, the Trustee shall not make any investment review of, consider the propriety of holding or selling, or vote other than as directed by the Investment Adviser, any assets of the Trust Fund allocated to a Separate Account in accordance with ARTICLE FOUR, except that if the Trustee shall not have received contrary instructions from the Investment Adviser thereof, the Trustee shall invest for short term purposes any cash consisting of U.S. dollars of a Separate Account in its custody in bonds, notes and other evidences of indebtedness having a maturity date not beyond five years from the date of purchase, United States Treasury bills, commercial paper, bankers' acceptances and certificates of deposit, and undivided interests or participations therein and (if subject to withdrawal on a daily or weekly basis) participations in common or collective funds composed thereof. For currencies other than U.S. dollars, the Trustee shall invest cash of a Separate Account as directed by the Investment Adviser with respect to that Separate Account and such investments may include an interest bearing account of a foreign custodian; and

7.5 The Trustee shall vote shares of Company Stock held in the Northern Trust Stock Fund and respond to a tender or exchange offer in accordance with (a) of the following provisions:

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(a) The Trustee, or the Company upon written notice to the Trustee, shall furnish to each Participant who has Company Stock credited to his or her individual account under the Northern Trust Stock Fund the date and purpose of

each meeting of the stockholders of the Company at which Company Stock is entitled to be voted. The Trustee, or the Company if it has furnished the above information, shall request from each Participant instructions to be furnished to the Trustee (or to a tabulating agent appointed by the Trustee) as to the voting at that meeting of Company Stock credited to the Participant's account. If the Participant furnishes such instructions to the Trustee or its agent within the time specified in the notification, the Trustee shall vote such Company Stock in accordance with the Participant's instructions. All Company Stock credited to Participant accounts as to which the Trustee or its agent do not receive instructions as specified above, and all unallocated Company Stock held in the Northern Trust Stock Fund shall be voted by the Trustee proportionately in the same manner as it votes Company Stock as to which the Trustee or its agent have received voting instructions as specified above. Similarly, the Trustee, or the Company upon written notice to the Trustee, shall furnish to each Participant who has Company Stock credited to his or her individual account under the Northern Trust Stock fund notice of any tender offer for, or a request or invitation for tenders of, Company Stock received by the Trustee. The Trustee, or the Company if it has furnished such notice, shall request from each such Participant instructions to be furnished to the Trustee (or to a tabulating agent appointed by the Trustee) as to the tendering of Company Stock credited to the Participant's account and for this purpose the Trustee or the Company, as the case may be, shall provide Participants with a reasonable period of time in which they may consider any such tender offer for, or request or invitation for tenders of, Company Stock of which the Trustee has been advised by the Administrative Committee. The Trustee shall tender such Company Stock as to which the Trustee or its agent have received instructions to tender from Participants within the time specified by the Trustee or the Company, as the case may be. Company Stock credited to Participant accounts as to which the Trustee or its agent have not received instructions from Participants shall not be tendered. As to all unallocated Company Stock held by the Trustee, the Trustee shall tender the same proportion thereof as the Company Stock as which the Trustee or its agent have received instructions from Participants to tender bears to all Company Stock allocated to Participant accounts. The Administrative Committee shall provide the Trustee with timely information regarding proxy voting and tender offers and in carrying out its responsibilities under this provision the Trustee may conclusively rely on information furnished to it by the Administrative Committee, including the names and current addresses of Participants, the number of shares of Company Stock credited to Participant accounts under the Northern Trust Stock Fund, and the number of shares of Company Stock held by the Trustee in the Northern Trust Stock Fund that have not yet been allocated.

A Participant shall be a "named fiduciary" under ERISA to the extent of the Participant's authority to invest, vote, tender or exchange Company Stock allocated to the Participant's account and with respect to the Participant's proportionate share of unallocated Company Stock held by the Trustee.

(b) No provision of this Section 7.5 shall prevent the Trustee from taking

any action relating to its duties under this Section 7.5 if the Trustee determines in its sole discretion that such action is necessary in order for the Trustee to fulfill its fiduciary responsibilities under ERISA.

(c) Purchases and sales of Company Stock may be made to, from or through any source, provided that such purchases from or sales to a party in interest (as defined in Section 3(14) of ERISA) shall comply with the requirements of Section 408(e) of ERISA. Rights, options or warrants offered to purchase Company Stock shall be exercised by the Trustee to the extent that there is cash available for the investment; to the extent cash is not available, the same shall be sold on the open market.

(d) Except for the short term investment of cash, the Company has limited the investment power of the Trustee in the Northern Trust Stock Fund to the purchase of Company Stock. The Trustee shall not be liable for the purchase, retention, tender or sale of Company Stock and the Company (which has the authority to do so under the laws of the state of its incorporation) agrees to indemnify THE NORTHERN TRUST COMPANY from any liability, loss and expense, including legal fees and expenses which THE NORTHERN TRUST COMPANY may sustain by reason of purchase, retention, tender or sale of Company Stock. This paragraph shall survive the termination of this agreement.

7.6 The Investment Committee shall have sole responsibility for the decision to maintain the custody of foreign investments abroad. Except as otherwise directed by the Investment Committee, custody of foreign investments shall be maintained with foreign custodians selected by the Trustee. The Trustee shall have no responsibility for losses to the Trust Fund resulting from the acts or omissions of any foreign custodian appointed by the Trustee unless due to the foreign custodian's fraud, negligence or willful misconduct. The Trustee shall maintain custody of foreign investments in any jurisdiction where the Trustee has not selected a custodian solely as directed by the Investment Committee. The Trustee shall have no responsibility for the financial condition, acts or omissions of any foreign custodian holding assets of the Trust Fund at the direction of the Investment Committee.

7.7 The Trustee shall have no responsibility for: (a) any condition which now exists or may hereafter be found to exist in, under, or about any real estate investment of the Trust Fund or of a corporation organized under Section 501(c)(2) or 501(c)(25) of the Code, the stock of which is held as an asset of the Trust Fund; or (b) any violation of any applicable environmental or health or safety law, ordinance, regulation or ruling; or (c) the presence, use, generation, storage, release, threatened release, or containment, treatment or disposal of any hazardous or toxic substances or materials including such situations at or activities on any investment of the Trust Fund or of a Section 501(c)(2) or 501(c)(25) corporation, the stock of which is held as an asset of the Trust Fund. The Trustee is hereby authorized to pay from the Trust Fund all costs and expenses (including attorneys fees) relating to or connected with any condition, violation, presence or other situation

referred to in (a), (b) and (c) above, and notwithstanding anything to the contrary in this agreement, to the extent permitted by law, THE NORTHERN TRUST COMPANY shall be indemnified from the Trust Fund from all claims, suits, losses and expenses (including attorneys fees) arising therefrom. The authority to pay from the Trust Fund and the right of indemnification set forth in the preceding sentence include and relate to, without limitation, any claims, suits, liabilities, losses and expenses (including attorneys fees) arising from any matters relating to the existence of petroleum including crude oil and any fraction thereof, hazardous substances, pollutants, or contaminants as defined in the Comprehensive Environmental, Responsibility, Compensation, and Liability Act, as amended, 42 U.S.C. Section 9601 et seq., or hazardous wastes as defined in the Resource Conservation and Liability Act, 42 U.S.C. Section 6906 et seq., or as any of the foregoing terms or similar terms may be defined in similar state environmental laws or subsequent federal or state legislation of a similar nature which may be enacted from time to time. This paragraph shall survive the sale or other disposition of any real estate investment of the Trust Fund and the termination of this agreement. Nothing in this paragraph shall be construed to in any way limit the indemnification rights of the Trustee provided for in ARTICLE TEN.

ARTICLE EIGHT: ACCOUNTS

The Trustee shall maintain accounts of all receipts and disbursements, including contributions, distributions, purchases, sales and other transactions of the Trust Fund. The accounts, and the books and records relating thereto, shall be open to inspection and audit at all reasonable times by any person or persons designated by the Investment Committee or entitled thereto under ERISA. Within 120 days after the close of each fiscal year of the Trust Fund and of any other period agreed upon by the Trustee and the Investment Committee the Trustee shall render to the Investment Committee a statement of account for the Trust Fund for the period commencing with the close of the last preceding period and a list showing each asset thereof as of the close of the current period and its cost and fair market value. The Trustee shall rely conclusively upon the determination of the issuing insurance company with respect to the fair market value of each insurance contract and upon the determination of the Investment Adviser of each Separate Account with respect to the fair market value of those assets allocated thereto which the Trustee deems not to have a readily ascertainable value, and the Trustee shall have no responsibility with respect thereto.

An account of the Trustee may be approved by the Investment Committee by written notice delivered to the Trustee or by failure to object to the account by written notice delivered to the Trustee within 6 months of the date upon which the account was delivered to the Investment Committee. The approval of an account shall constitute a full and complete discharge to the Trustee as to all matters set forth in that account as if the account had been settled by a court of competent jurisdiction in an action or proceeding to which the Trustee, the Company and the Investment Committee were parties. In no event shall the Trustee be precluded from having its accounts settled by a judicial proceeding.

Nothing in this article shall relieve the Trustee of any responsibility, or liability for any responsibility, under ERISA.

ARTICLE NINE: TRUSTEE SUCCESSION

The Trustee may resign at any time by written notice to the Investment Committee, or the Investment Committee may remove the Trustee by written notice to the Trustee. The resignation or removal shall be effective 60 days after the date of the Trustee's resignation or receipt of the notice of removal, or at such earlier date as the Trustee and the Investment Committee may agree.

In case of the resignation or removal of the Trustee, the Investment Committee shall appoint a successor trustee by delivery to the Trustee of a written instrument executed by the Investment Committee appointing the successor Trustee and a written instrument executed by the successor trustee accepting the appointment, whereupon the Trustee shall deliver the assets of the Trust Fund to the successor trustee but may reserve such reasonable amount as the Trustee may deem necessary for outstanding and accrued charges against the Trust Fund.

The successor trustee, and any successor to the trust business of the Trustee by merger, consolidation or otherwise, shall have all the powers given the originally named Trustee. No successor trustee shall be personally liable for any act or omission of any predecessor. Except as otherwise provided in ERISA, the receipt of the successor trustee and the approval of the Trustee's final account by the Investment Committee in the manner provided in ARTICLE EIGHT shall constitute a full and complete discharge to the Trustee.

ARTICLE TEN: MISCELLANEOUS

10.1 Any action required to be taken by the Company or by a Subsidiary shall be by resolution of its board of directors or by written direction of one or more of its president, any vice president or treasurer. The Trustee may rely upon a resolution or direction filed with the Trustee and shall have no responsibility for any action taken by the Trustee in accordance with any such resolution or direction.

10.2 The Company shall certify to the Trustee the names of the members of the Administrative Committee and of the Investment Committee acting from time to time, and the Trustee shall not be charged with knowledge of a change in the membership of a Committee until so notified by the Company. Any action required to be taken by a Committee shall be by direction of such person or persons as shall be designated by the Committee to act for the Committee. The Trustee may rely upon an instrument of designation signed by the secretary or chairman of the Committee and filed with the Trustee and shall have no responsibility for any action taken by the Trustee in accordance

with any such direction. Notwithstanding anything herein to the contrary, the Administrative Committee or the Investment Committee may delegate any of its responsibilities hereunder to a representative by giving to the Trustee in writing a letter which identifies the representative and sets forth the list of its responsibilities under this agreement that it has authorized the representative to carry out.

10.3 The Trustee may consult with legal counsel, who may also be counsel for the Company, with respect to its responsibilities under this agreement and shall be fully protected in acting or refraining from acting in reliance upon the written advice of legal counsel.

10.4 In no event shall the terms of any Plan, either expressly or by implication, be deemed to impose upon the Trustee any power or responsibility other than those set forth in this agreement. The Trustee may assume until advised to the contrary that each Plan and the Trust Fund is qualified under Section 401(a) and exempt from taxation under Section 501(a) of the Code, or under corresponding provisions of subsequent federal tax laws. The Trustee shall be accountable for contributions made to a Plan and included among the assets of the Trust Fund but shall have no responsibility to determine whether the contributions comply with the provisions of the Plan or of ERISA.

10.5 In any judicial proceeding to settle the accounts of the Trustee, the Trustee, the Company and the Investment Committee shall be the only necessary parties; in any other judicial proceeding with respect to the Trustee or the Trust Fund, the Trustee, the Company and each affected Subsidiary shall be the only necessary parties; and no Participant or Beneficiary shall be entitled to any notice of process. A final judgment in any such proceeding shall be binding upon the parties to the proceeding and all Participants and Beneficiaries.

10.6 The Trustee shall be reimbursed for all expenses incurred in the management and protection of the Trust Fund, including accounting and legal fees, and shall receive such reasonable compensation for its services as the Trustee and the Company shall from time to time determine. Those items of expense and compensation shall be paid from the Trust Fund, subject to prior payment or reimbursement by the Company in its discretion.

10.7 Without limiting the rights of the Trustee as otherwise provided in this agreement, pursuant to direction by the Investment Committee, the Trustee shall pay from the Trust Fund expenses of a Plan or compensation to parties providing services to a Plan including but not by way of limitation, expenses or compensation related to actuarial, legal, accounting, office space, printing, computer, recordkeeping, investment, performance evaluation or any other material or service provided to a Plan.

10.8 In the event that THE NORTHERN TRUST COMPANY incurs any liability, loss, claim, suit or expense (including attorneys fees) in connection with or

arising out of its provision of services under this agreement, or its status as Trustee hereunder,

under circumstances where THE NORTHERN TRUST COMPANY cannot obtain or would be precluded by law from obtaining payment or reimbursement of such liability, loss, claim, suit or expense (including attorneys fees) from the Trust Fund, then the Company (which has the authority to do so under the laws of the state of its incorporation) shall indemnify and hold THE NORTHERN TRUST COMPANY harmless from and against such liability, loss, claim, suit or expense, except to the extent that such liability, loss, claim, suit or expense arises from a breach by the Trustee of responsibilities specifically allocated to it by the terms of this agreement. This paragraph shall survive the termination of this agreement.

10.9 Neither the Company, the Administrative Committee nor the Investment Committee shall direct the Trustee to cause any part of the Trust Fund to be diverted to any purpose other than the exclusive benefit of the Participants and Beneficiaries or, except as otherwise permitted under the affected Plan and under ERISA, to be remitted to the Company or a Subsidiary.

10.10 Any person dealing with the Trustee shall not be required to see to the application of any money paid or property delivered to the Trustee or inquire into the provisions of this agreement or of a Plan or the Trustee's authority thereunder or compliance therewith, and may rely upon the statement of the Trustee that the Trustee is acting in accordance with this agreement.

10.11 Except as otherwise directed by the Administrative Committee, which direction shall be in compliance with all applicable provisions of the 1984 Retirement Equity Act, the Plans and Section 401(a)(13) of the Code, any interest of a Participant or Beneficiary in the Trust Fund or a Plan or in any distribution therefrom shall not be subject to the claim of any creditor, any spouse for alimony or support, or others, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered.

10.12 If for any reason the Trustee is unwilling or unable to act as to any property, such person or qualified corporation as the Trustee shall from time to time designate in writing shall act as special trustee as to that property. Any person or corporation acting as special trustee may resign at any time by written notice to the Trustee. Each special trustee shall have the powers granted to the Trustee by this agreement, to be exercised only with the approval of the Trustee, to which the net income and the proceeds from sale of any part or all of the property shall be remitted to be administered under this agreement.

10.13 Loans to Participants as provided for in a Plan shall be granted and administered by the Administrative Committee. The Trustee shall distribute cash to such Participants who are granted loans in such amount and at such times as the

Administrative Committee shall from time to time direct in writing. Loan payments collected by the Administrative Committee shall be forwarded to the Trustee. The amount of such loans shall be carried by the Trustee as an asset of the trust equal to the combined unpaid principal balance of all Participants. The Trustee shall rely conclusively upon the determination of the Administrative Committee with respect to the amount of the combined unpaid principal balance of all Participants. The Trustee shall have no responsibility to ascertain whether a loan complies with the provisions of a Plan, for the decision to grant a loan or for the collection and repayment of a loan.

ARTICLE ELEVEN: GOVERNING LAW

The provisions of ERISA and the internal laws of Illinois shall govern the validity, interpretation and enforcement of this agreement, and in case of conflict, the provisions of ERISA shall prevail. The invalidity of any part of this agreement shall not affect the remaining parts thereof.

ARTICLE TWELVE: AMENDMENT AND TERMINATION

The Company may at any time or times with the consent of the Trustee amend this agreement in whole or in part by instrument in writing delivered to the Trustee and effective upon the date therein provided.

This agreement shall terminate with respect to a Plan by action of the Company or Subsidiary responsible for making contributions to the Plan Account. Upon termination with respect to a Plan, the Trustee shall withdraw the Plan Account in the manner directed by the Investment Committee, in cash or in kind or partly in each as the Trustee and the Investment Committee shall agree, except that the Trustee shall be entitled to prior receipt of such rulings and determinations from such administrative agencies as it may deem necessary or advisable to assure itself that the distribution directed is in accordance with law and will not subject the Trust Fund or the Trustee to liability, and except, further, that the Trustee may reserve such reasonable amount as the Trustee may deem necessary for outstanding and accrued charges against the Plan Account. This agreement shall terminate in its entirety when there is no asset included in the Trust Fund.

IN WITNESS WHEREOF, the Company and the Trustee have executed this agreement by their respective duly authorized officers and have caused their respective corporate seals to be affixed hereto the day and year first above written.

THE NORTHERN TRUST COMPANY

(as Plan Sponsor)

By: /s/ Joan O'Donnell

Its: Secretary, Employee Benefit Administrative
Committee

ATTEST:

(CORPORATE SEAL)

THE NORTHERN TRUST COMPANY

By: /s/ Karen L. Fayen

Its: Second Vice President

ATTEST:

/s/ Robert F. Draths, Jr.

(CORPORATE SEAL)

THRIFT-INCENTIVE PLAN (TIP) FINANCIAL HARDSHIP WITHDRAWAL REQUEST

1. PARTICIPANT INFORMATION

Name _____ Social Security Number _____

 Home Address _____ City _____ State _____ Zip _____

 Work Telephone Number _____ Home Telephone Number _____ Location _____

2. INDICATE THE REASON(S) AND AMOUNT NEEDED

(SEE ATTACHMENT FOR REQUIRED DOCUMENTATION.)

PURCHASE OF A PRIMARY RESIDENCE

MEDICAL OR DENTAL EXPENSES FOR YOURSELF OR DEPENDENTS NOT COVERED BY INSURANCE

TUITION (ROOM, BOARD AND FEES FOR SECONDARY EDUCATION FOR YOURSELF OR DEPENDENTS

PREVENTION OF EVICTION OR FORECLOSURE OF YOUR RESIDENCE

FUNERAL EXPENSES FOR MEMBER OF YOUR IMMEDIATE FAMILY

DOCUMENTED AMOUNT REQUESTED \$ PLUS 20%, 30%, OR 40%

(CIRCLE ONE IF DESIRED) TO COVER POSSIBLE TAXES AND PENALTIES.

3. CHOOSE FINANCIAL HARDSHIP WITHDRAWAL METHOD

FACTS AND CIRCUMSTANCES METHOD: You can avoid restrictions on your contributions and foregoing Company Match by certifying that you have no other way to meet your financial need. By checking this box and signing the bottom of this form, I AGREE THAT I HAVE NO OTHER FINANCIAL RESOURCES TO MEET THE FINANCIAL HARDSHIP NEED LISTED BELOW. I acknowledge that financial resources includes (but is not limited to):

Investments owned by myself or my spouse and dependents.

A loan or regular withdrawal from TIP. If you have a loan available, it must be taken before the hardship can be processed.

A loan from a service outside of TIP.

I will not be reimbursed from insurance, litigation, scholarships, my employer or other resources.

SAFE HARBOR METHOD: By checking this box and signing the bottom of this form, I AGREE THAT MY CONTRIBUTIONS WILL BE SUSPENDED FOR A ONEYEAR PERIOD AFTER MY HARDSHIP WITHDRAWAL. I further acknowledge that in the year my contributions are eligible to resume, the maximum amount I can contribute on a beforetax basis will be limited to the IRS maximum allowable less my beforetax contribution in the year i took the financial hardship withdrawal. In addition, I understand that I WILL NOT BE ELIGIBLE FOR ANY COMPANY MATCHING CONTRIBUTION FOR THE PERIOD OF MY SUSPENSION FROM TIP.

4. CERTIFICATION AND ACKNOWLEDGMENT

I have made every attempt to provide complete and accurate information on this application. I understand that any intentional misrepresentation of facts or circumstances relating to this financial hardship withdrawal application or the intentional withholding of relevant information is a major violation of Company policy and will result in disciplinary action and could lead to termination of employment.

Signature

Date

See attachment for type of documentation required, rollover information and special tax notices. If you have any additional questions, you may phone 1-800-291-PLAN (7526).

RETURN TO: TIP ADMINISTRATION, HA-00

DOCUMENTS REQUIRED FOR FINANCIAL HARDSHIP REQUEST

PURCHASE OF A PRIMARY RESIDENCE AS DEFINED BY:

A single family dwelling, condominium or cooperative unit in which you reside year round on an ongoing basis and hold ownership.

REQUIRED DOCUMENTATION:

- REAL ESTATE CONTRACT: Signed and accepted for the construction or purchase of a primary residence.
- GOOD FAITH ESTIMATE: Needed to include closing costs as part of your financial hardship.
- "NO LOANS LETTER": Needed if your mortgage lender will not allow you to use TIP loan funds as part of the down payment, have your

lender state that in a short letter.

-EXPECTED PROCEEDS

ESTIMATE: Needed if selling an existing home, obtain an expected proceeds estimate.

UNINSURED MEDICAL/DENTAL EXPENSES FOR CHILDREN, SPOUSE OR SELF AS DEFINED BY:

Noncosmetic medical and dental expenses not covered by an insurance plan.

Expenses that must be paid to obtain medical or dental treatment.

REQUIRED DOCUMENTATION:

-**"EXPLANATION OF BENEFITS"**: Statement from insurance carrier(s) indicating breakdown of charges not covered by insurance.

-Proof that payment must be made to obtain treatment in the event that you do not have medical and/or dental insurance, bills from the doctor or dentist will be accepted as documentation. We reserve the right to contact the physician and/or dentist to verify services performed.

TUITION (ROOM, BOARD AND FEES) FOR SECONDARY EDUCATION FOR YOURSELF OR DEPENDENTS AS DEFINED BY:

Current or future tuition expenses for you, your spouse and/or children for current year postsecondary tuition, including room, board and fees. (college, university or vocational school)

REQUIRED DOCUMENTATION:

-Proof from educational institution that the student has been accepted for admission or currently enrolled, i.e., student I.D. card, letter of admission, canceled tuition checks or receipts.

-Verification of tuition expenses, room, board and fees. This can be in a form of a list of courses to be taken and a page from the current school year catalog or manual which itemizes expenses, or a written confirmation of itemized expenses from the school (along with any canceled checks/receipts)

PREVENTION OF EVICTION OR FORECLOSURE OF YOUR RESIDENCE AS DEFINED BY:

Rent or mortgage payment on a primary residence.

REQUIRED DOCUMENTATION: -Letter of eviction reflection amount and number of months that the rent is past due.
-Notice of foreclosure from mortgage company reflecting amount and number of months mortgage is past due.

BURIAL EXPENSES FOR MEMBER OF YOUR IMMEDIATE FAMILY AS DEFINED BY:

Parents, spouse, children, siblings and/or dependent

REQUIRED DOCUMENTATION: -Documented death notice

-Signed estimated charges for burial.

THE NORTHERN TRUST COMPANY THRIFT-INCENTIVE PLAN

WITHDRAWAL DIRECT ROLLOVER FORM

 Name (Print) Last First Initial Social Security Number

 Signature Date Location Extension

I. WITHDRAWAL AMOUNT AVAILABLE

REGULAR WITHDRAWAL

If you need to know the amount available for withdrawal call the Northern-Express at 1-800-291-PLAN (7526) (press *0 if you want to speak to a representative).

II. AMOUNT OF WITHDRAWAL

Please indicate the amount of money you wish to receive:

- A. I do not want the entire amount available to me: I only want \$?_____.
- B. I want 100% of the amount available. (THIS AMOUNT MAY CHANGE SIGNIFICANTLY DEPENDING ON MARKET ADJUSTMENTS OR VESTING INCREASES.)

III. TAX CONSIDERATIONS

The taxable portion of your withdrawal is subject to an automatic 20% Federal income tax withholding on any amount that is not directly rolled over to an IRA or another Employer's Plan. The nontaxable part of your withdrawal is not subject to tax withholding and cannot be transferred to an IRA or another Employer's Plan. If you do not make a tax election, the 20% withholding will automatically apply. Please see the SPECIAL TAX NOTICE, IN-SERVICE WITHDRAWALS attached to this form for information regarding a possible 10% penalty for withdrawals before age 59-1/2.

- Rollover 100% of my taxable distribution to the IRA Account/Employer Plan below.
- Rollover \$_____ of my taxable distribution and make the balance payable to me. I understand that 20% of the taxable balance paid to me will be withheld in taxes.
- DIRECT ROLLOVER MY FUNDS TO:

IRA:

Financial Institution? -----

Address -----

Contact Name -----

Employer Plan:

Check Payable To? -----

Address -----

Contact Name -----

Your check will be made payable to this IRA Account/Employer Plan and mailed to them for deposit.

All information provided must be accurate and complete. If incomplete information is provided, the distribution will not be processed.

IF YOU HAVE ANY QUESTIONS CONCERNING THIS FORM CALL 1-800-291-PLAN (7526).

SUBMIT THIS FORM TO TIP ADMINISTRATOR, HA-00.

THRIFT-INCENTIVE PLAN (TIP) PAYOUT AUTHORIZATION FORM
FOR AN EMPLOYEE TERMINATING SERVICE WITH THE BANK

TIP/ESOP Administration, HA-00 1-800-291-PLAN (7526) or
Northern Retirement Services 400 Perimeter Center Terrace NE Suite 850
Atlanta, GA 30346-1243

Last First Middle

Street

City State Zip Code _____ Check if New Address

Daytime Phone (after termination)

Signature Social Security # Date

I. TIP DISTRIBUTION CHOICES

I understand that I will receive my distribution approximately five weeks after the end of the month following my official termination date, provided I return this form by the deadline stated below.

- _____ A. DISTRIBUTE the entire balance of my TIP account in CASH (NO SHARES).
- _____ B. DISTRIBUTE my Northern Trust Stock account in shares. DISTRIBUTE the balance of all other investment funds in my TIP account in cash.
- _____ C. PLACE my account balance IN A DEFERRED STATUS, DEFER PAYMENT TO THE EARLIER OF AGE 65 OR DEATH (only if the vested balance of your account is greater than \$3,500). I understand that I may request payment sooner and that it will be paid approximately five weeks after the end of the month in which I make my request. I understand that any outstanding loan balance must be repaid or the loan balance will be considered taxable income.

II. TIP TAX CHOICES

- The taxable portion of your TIP Account is subject to an automatic 20% Federal income tax withholding on any amount that is not rolled over to an IRA or another Employer's Plan.

Account#:

(optional)

=====

YOUR CHECK WILL BE MADE PAYABLE TO THIS IRA/EMPLOYER PLAN AND MAILED TO THEM
FOR DEPOSIT.

SPECIAL TAX NOTICE

REGARDING DISTRIBUTIONS FROM TIP, ESOP AND PENSION

This notice contains important information you will need before you decide how to receive your payment from the Thrift-Incentive Plan, the Employee Stock Ownership Plan, or the Pension Plan (the Plans).

SUMMARY

A payment from the Plans that is eligible for "rollover" can be taken in two ways. You can have all or any portion of your payment either

- 1) PAID IN A "DIRECT ROLLOVER"
- 2) PAID TO YOU

A rollover is a payment of your Plan benefits to your individual retirement arrangement (IRA) or to another employer plan. This choice will affect the tax you owe.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- Your payment will be made directly to your IRA or, if you choose, to another employer plan that accepts your rollover.
- Your payment will be taxed later when you take it out of the IRA or the employer plan.

If you choose to have your Plan benefits PAID TO YOU:

- You will receive only 80% of the payment, because the Northern Trust is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe (see pg. 3). However, if you receive the payment before age 59 1/2, you also may have to pay an additional 10% tax.
- You can roll over the payment to your IRA or to another employer plan that accepts your rollover within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer plan.
- If you want to roll over 100% of the payment to an IRA or an employer

plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

NOTE:

Although funds that come out of TIP as an in-service withdrawal are eligible for rollover, the funds will not be accepted for rollover back into TIP.

MORE INFORMATION

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PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plans may be "eligible rollover distributions." This means that they can be rolled over to an IRA or another employer plan that accepts rollovers. In general, any payment from the Plans (including an in-service withdrawal) is considered an eligible

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rollover distribution, EXCEPT for the following types of payments which CANNOT be rolled over:

NON-TAXABLE PAYMENTS

In general, only the "taxable portion" of your payment is an eligible rollover distribution. If you have made "after-tax" employee contributions to the Plans, these contributions will be non-taxable when they are paid to you, and they cannot be rolled over.

REQUIRED MINIMUM PAYMENTS

Beginning in the year you reach age 70 1/2, you are required to take an annual distribution from each plan. These required minimum distributions cannot be rolled over.

MONTHLY PAYMENTS FROM THE PENSION PLAN

You cannot roll over monthly annuity payments you receive from the Pension Plan. These payments are part of a series of equal (or almost equal) payments that are made at least once a year and that will last for your lifetime, your and your beneficiary's lifetimes or a period of ten years or more.

ESOP DIVIDEND PAYMENTS

The dividend check you receive each November from the ESOP cannot be rolled over and is considered taxable income in the year you receive it.

DIRECT ROLLOVER

You can choose a direct rollover of all or any portion of your payment that is an "eligible rollover distribution," as described above. In a direct rollover, the eligible rollover distribution is made payable directly from the Plan to an IRA or another employer plan that accepts rollovers. If you choose a direct rollover, you are not taxed on a payment until you later take it out of the IRA or the employer plan.

DIRECT ROLLOVER TO AN IRA

You can open an IRA to receive the direct rollover. (The term "IRA" as used in this notice, includes individual retirement accounts and individual retirement annuities.) If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to obtain an account number. Supply the name of the institution and the institution's federal tax identification number (FEIN) on your distribution or withdrawal form. The check and or shares of stock will then be made payable to the IRA and sent to you for delivery to the IRA institution.

DIRECT ROLLOVER TO A PLAN

If you are employed by a new employer that has a plan, and you want a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. If the plan will accept your rollover, supply the name of the plan and the company name on your distribution or withdrawal form. An employer plan is not legally required to accept a rollover. If your new employer's plan does not accept a rollover, you can choose a direct rollover to an IRA.

Please Note: Although taxable funds that come out of TIP as an in-service withdrawal are eligible for rollover, the funds will not be accepted for rollover back into TIP.

PAYMENT MADE PAYABLE TO YOU

If you have the payment made to you, it is subject to 20% income tax withholding. The payment is taxed in the year you receive it unless, within 60 days, you roll it over to an IRA or another plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

MANDATORY TAX WITHHOLDING

If any portion of the payment to you is an eligible rollover distribution, the Plans are required by law to withhold 20% of that amount. This amount is sent to the IRS as income tax withholding. For example, if your eligible rollover distribution is \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, you will report the full \$10,000 as a payment from the Plan. You will report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

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SIXTY-DAY ROLLOVER OPTION

If you have an eligible rollover distribution paid to you, you can still decide to roll over all or part of it to an IRA or another employer plan that accepts rollovers. If you decide to roll over, you must make the rollover within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the IRA or the employer plan.

You can roll over up to 100% of the eligible rollover distribution, including an amount equal to the 20% that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the IRA or the employer plan to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

EXAMPLE:

Your eligible rollover distribution is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to an IRA or employer plan. To do this, you roll over the \$8,000 you received from the Plans, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the IRA or employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of the \$2,000 withheld.

If on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

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ADDITIONAL 10% TAX IF YOU ARE UNDER AGE 59 1/2

If you receive a payment before you reach age 59 1/2 and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax does not apply to your payment if it is (see IRS Form 5329 for more information on the additional 10%):

- Paid to you because you separate service with your employer during or after the year you reach age 55
- Paid because you retire due to disability
- Paid to you as equal (or almost equal) payments over your life or life expectancy.
- Used to pay certain medical expenses
- Paid to you as the beneficiary of the employee
- Paid to you under a Qualified Domestic Relations Order

SPECIAL TAX TREATMENT

If your eligible rollover distribution is not rolled over, it will be taxed in the year you receive it. However, if it qualifies as a "lump sum distribution" it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the Plans that is payable to you because you have reached age 59 1/2 or separated from service with your employer. For a payment to qualify as a lump sum distribution, you must have been a participant in the Plan for at least 5 years. Prior to the year of distribution, the special tax treatment for lump sum distributions is described below.

FIVE-YEAR AVERAGING

If you receive a lump sum distribution after you are age 59 1/2, you may be able to make a one-time election to figure the tax on the payment by using "5-year averaging." Five-year averaging often reduces the tax you owe because it treats the payment much as if it were paid over 5 years.

TEN-YEAR AVERAGING IF YOU WERE BORN BEFORE JANUARY 1, 1936

If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Like the 5-year averaging rules, 10-year averaging often reduces the tax you owe.

CAPITAL GAINS TREATMENT IF YOU WERE BORN BEFORE JANUARY 1, 1936

In addition, if you receive a lump sum distribution and you were born before January 1, 1936, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plans (if any) taxed as long term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime and the election applies to all lump sum distributions you receive in that same year. If you have previously rolled over a payment from the Plans, you cannot use this special tax treatment for later payments from the Plans. If you roll over your payment to an IRA, you will not be able to use this special tax treatment for later payments from the IRA. Also, if you roll over only a portion of your payment to an IRA, this special tax treatment is not available for the rest of the payment. Additional restrictions are described in IRS Form 4972, which has more information on lump sum distributions and how you elect the special tax treatment.

EMPLOYER STOCK OR SECURITIES

There is a special tax rule that applies to distributions of Northern Trust Common Stock from ESOP and from TIP Fund D. To use this special rule, the payment must qualify as a lump sum distribution, as described above (except that you do not have to have 5 years participation in the plan). Under this special rule, you may have the option of not paying tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plans. For example, if the stock was worth \$1,000 when it was contributed to the Plan, but it was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

The stock can be rolled over to an IRA or another employer plan either in a direct rollover or a rollover that you make yourself. If you choose to have your shares registered in your name, rather than direct transferred, the Plans are required by law to withhold 20% of the cost basis of the shares in income taxes. However, the taxes

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will be withheld only to the extent there is cash available in the distribution. Shares will not be sold to satisfy the withholding requirement. See "Payment Paid To You" for more details on how the withholding works. The special tax treatment options described above may also apply to shares that are not rolled over.

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OUTSTANDING TIP LOAN BALANCES

A loan from TIP is not considered a taxable payment unless the entire balance is not repaid to the plan.

ACTIVE EMPLOYEES

If a loan amount is not repaid and is declared defaulted while you are

employed, the defaulted amount that was originally from taxable funds, is reported as a taxable loan distribution. The taxable loan distribution is not subject to the 20% withholding and is not eligible for rollover.

TERMINATED EMPLOYEES

If a loan is not repaid in full by the 5th business day following the month in which you terminate, the remaining balance that originally came from taxable funds will be taxable.

The election you make regarding the payment of your remaining account balances will determine the tax withholding on the taxable loan distribution amount.

TAXABLE LOAN DISTRIBUTION

Payment Options	20% Tax Withholding		Eligible for Rollover	
	Yes	No	Yes	No
1. Defer payment of account balance		X	X	
2. Direct Rollover account balance to IRA/Employer Plan		X	X	
3. Distribute account balance payable to you (or any portion paid to you)	X		X	

SURVIVING SPOUSES, ALTERNATIVE PAYEES, AND OTHER BENEFICIARIES

In general the rules summarized above that apply to payments to employees also apply to spouses and former spouses who receive payments on account of an employee's death under a "Qualified Domestic Relations Order". Some of the rules summarized above also apply to a deceased employee's beneficiary who is not a spouse.

If you are a spouse or former spouse who received a payment under the Qualified Domestic Relations Order, you may choose to have an eligible rollover distribution paid in a direct rollover to an IRA or paid to you. If you are a beneficiary other than the surviving spouse, you CANNOT choose a direct rollover, and you CANNOT roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is not subject to the additional 10% tax described above, even if you are younger than age 59 1/2 and you may be able to use the special tax treatment for lump sum distributions and distributions in employer stock also described

above.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take payment of your benefits from the Plans. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, PENSION AND ANNUITY INCOME, and IRS Publication 590, INDIVIDUAL RETIREMENT ARRANGEMENTS. These publications are available from your local IRS office or by calling 1-800-TAX-FORMS.

THE NORTHERN TRUST COMPANY
 Promissory Note and Security Agreement
 NORTHERN TRUST THRIFT-INCENTIVE PLAN

CARON, EDWARD J.	Borrower's SSN:	###-##-####
6131 N 16TH ST	Note Effective Date:	04/17/1995
APT H301	Loan Principal Amount:	\$16,000.00
PHOENIX, AZ 85016	Loan Interest Rate:	7.890%
	Loan ID Number:	A
	Loan Reason:	Regular

Location: E190 AR004513

<TABLE>
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Federal Truth in Lending Disclosure Statement

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
<S> The cost of my credit at a yearly rate.	<C> The dollar amount the credit will cost me.	<C> The amount of credit provided to me or on my behalf.	<C> The amount I will have paid after I have made all payments as scheduled.
7.80%	\$3,380.28	\$16,000.00	\$19,380.27

</TABLE>
 <TABLE>
 <CAPTION>

My payment schedule will be:

NUMBER OF PAYMENTS	AMOUNT OF EACH PAYMENT	WHEN PAYMENTS ARE DUE:	Semi-monthly
<C>	<C>	<S>	<C>
119	\$161.51	First Payment Due On:	04/30/1995
1	\$160.58	Final Payment Due On:	04/15/2000

</TABLE>

*If you pay your loan off early, you will not have to pay a penalty.
 *You are giving a security interest in your account in the trust.

See below for additional information about non-payment and default

The Creditor will withhold the amount of each payment from the Borrower's pay each payday until the loan is paid in full. The Borrower has the right to pay this loan off in its entirety at any time without penalty. If the Borrower fails to make a payment when due, for any reason ceases to be in the employ of an employer participating in The Thrift-Incentive Plan or at the death of the Borrower the entire balance together with all accrued interest shall, at our option, become immediately due and payable without notice to Borrower. If the borrower's employment so terminates, the Creditor shall have the right to apply all or any part of the balance of the Borrower's account in The Northern Trust Company Thrift-Incentive Plan to the balance the Borrower owes the Creditor under this note.

No delay or omission on the part of the holder in exercising any right hereunder shall operate as a waiver of such right or any other right hereunder or of any other right in this note. A waiver on any occasion shall not be construed as a bar or a waiver of any such right and/or remedy on any future occasion.

Whenever an event of default exists, the Borrower will pay on demand all costs of collection, legal expenses, and attorneys' fees incurred or paid by the holder in collecting or enforcing this note.

Questions concerning the agreement will be decided according to the laws of the State of Illinois. Communications in respect of this note may be sent to your last address on record.

By endorsing the loan check or otherwise taking receipt of the loan proceeds, the Borrower agrees to be bound by the terms and conditions of this Note and Federal Truth-in-Lending Disclosure Statement and acknowledges receiving a copy.

Authorization of Amount Financed

Amount financed:	\$16,000.00
Amount given directly to me:	\$16,000.00

CONSIDERING A ROLLOVER OF FUNDS FROM YOUR PRIOR
COMPANY'S RETIREMENT PLAN?

If you were a participant in a tax-qualified plan with a previous employer, you may be eligible to "roll over" (deposit your pretax distribution) into the Thrift Incentive Plan (TIP). You can even roll funds into TIP prior to becoming an active plan member. Details describing the Rollover option are attached. The Employee Stock Ownership Plan (ESOP) along with the Pension Plan will NOT accept rollover deposits. An information sheet that can be given to your prior plan sponsor or IRA representative is on the reverse side of this sheet.

IMPORTANT INFORMATION FOR REHIRED PARTICIPANTS

If you have worked at Northern Trust before and are now being rehired, you may be eligible to "buyback" any company contributions that you forfeited when you left. If you weren't fully vested in TIP and ESOP when you left before, you forfeited some company contributions at termination and you may be eligible to have those contributions restored. Also, if you received a lump sum distribution from the Pension Plan, you may be eligible to restore your total service to your future Pension benefit. In general, you are eligible for these buyback provisions if your break in service is five years or less.

If you have any questions about the TIP Rollover Option or the Buyback Option, please contact the TIP Representatives at 1-800-291-PLAN(7526); press *0 to speak to a representative.

ROLLOVER INFORMATION FOR QUALIFIED PLAN SPONSOR OR IRA
FROM THE NORTHERN TRUST COMPANY RETIREMENT PLANS

The following is the pertinent information regarding a rollover from or to any of the three retirement plans at the Northern Trust Company.

Thrift-Incentive Plan
Employer Identification Number 36-1561860
IRS Plan Number 002

This is a qualified 401(k)/profit sharing plan. This plan accepts rollovers into the plan in cash only (no shares) and the minimum rollover amount is \$500.00.

Employee Stock Ownership Plan
Employer Identification Number 36-1561860
IRS Plan Number 003

This is a qualified ESOP. The plan does not accept rollover deposits. Employees receiving termination distributions will be paid in shares of stock. They do not have the option of receiving a cash payout. The shares are eligible for rollover.

Pension Plan
Employer Identification Number 36-1561860
IRS Plan Number 001

This is a qualified defined benefit pension plan. It does not accept rollover deposits. Participants do have the option of receiving a lump sum distribution which is eligible for rollover.

The address and telephone number for all three plans is:

Benefits Division
The Northern Trust Company
50 S. LaSalle St., M-8
Chicago, IL 60675 (800) 291-7526 (press *0)

THRIFT INCENTIVE PLAN ROLLOVER GUIDELINES

GENERAL ROLLOVER INFORMATION

- Rollovers are accepted prior to your becoming eligible to contribute to the Thrift-Incentive Plan (TIP).
- The minimum amount for a rollover is \$500.00.
- All rollover requests require completion of the TIP Rollover Request Form (reverse side of these Guidelines) and supporting documentation as shown on the form.
- The taxable portion of a total distribution from a tax-qualified plan, or any portion of a Rollover IRA, is eligible for rollover.
- Non-taxable funds, in-service withdrawals or Personal IRA funds will not be accepted in TIP.
- Only checks can be accepted for rollover deposit. Stocks, bonds, wire transfers and DTC transfers are not accepted.
- Forms, checks and supporting documentation are due at 5:00 p.m., two (2) business days prior to payday to the TIP Administrator, M-8, with fund investment occurring on that payday.
- You may access your rollover money in TIP through loans and withdrawals. For more details, see The Sourcebook: A Guide To Your Future Financial Security.
- TIP transactions are processed through the Northern-Express phone system. A PIN Kit will be mailed to you.

PROCESSING DIRECT ROLLOVERS

- TIP accepts direct rollovers from other taxqualified plans. Checks should be made payable to:
The Northern Trust Company - TIP
50 South LaSalle Street, M-8
Chicago, Illinois 60675
Employer Identification Number 36-1561860 IRS Plan Number 002
- The check must also reference your name, and your Social Security number is your account number in TIP.
- You must provide a completed TIP Rollover Request Form and the supporting documentation, even if the check is being mailed directly to the TIP area.

PROCESSING IRA ROLLOVERS

- TIP accepts Rollover IRA funds, not Personal IRA funds. All or part of the funds may be rolled over only if the IRA consists solely of the taxable portion of the tax-qualified distribution and its earnings. If any other contributions were made to the IRA, no portion of the IRA is eligible for rollover.
- To maintain rollover eligibility if the check is made out to you, the Internal Revenue Service requires that qualified distributions be rolled over into a qualified plan or Rollover IRA within 60 days of the date of payment of your final distribution. If you are not able to roll over into TIP within the 60 day timeframe, you must deposit the funds into a Rollover IRA.
- Failure to deposit a tax-qualified distribution made out in your name into another tax-qualified plan or Rollover IRA within 60 days of payment will disqualify the entire amount of your distribution from any type of future rollover treatment. The funds would then be ineligible for rollover into TIP.

ANY QUESTIONS? 1-800-291-7526 (PRESS *0 TO REACH A REPRESENTATIVE)

TIP ROLLOVER REQUEST

PLEASE PRINT:

Name: _____
Last First Middle

Social Security #: _____ Ext.: _____ Location: _____

Signature: _____ Date: _____

I have read and understand the Rollover Guidelines on the back of this form.

ROLLOVER AMOUNT

I wish to roll over \$ _____ into the Northern Trust Company Thrift-Incentive Plan (TIP). Attached is my check made payable to:

The Northern Trust Company - TIP
50 South LaSalle Street, M-8
Chicago, Illinois 60675

If my check is being mailed directly from another tax-qualified plan, it will also reference my name, and I understand that my Social Security number is my account number in TIP.

SUPPORTING DOCUMENTS

Required for any rollover:

- Distribution statement from former plan, indicating the taxable portion of the distribution.

OR

- 1099R form for a qualified distribution.

Required for rollover from an IRA:

- Current period statement of participation from financial institution that maintained the Rollover IRA.

INVESTMENT OF ROLLOVER

My rollover should be invested in the following funds in TIP. The total must equal 100%.

<TABLE>
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Short-Term Fund	Bond Fund	Balanced Fund	Equity Index Fund	Focused Growth Fund	
<S>	<C>	<C>	<C>	<C>	
_____ %	_____ %	_____ %	_____ %	_____ %	= 100%

</TABLE>

DEADLINE

Forms, checks and supporting documentation are due at 5:00 p.m., two (2) business days prior to payday to the TIP Administrator, M-8, with fund investment occurring that payday.

TIP INVESTMENT OPTIONS FOR ROLLOVERS

<TABLE>
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Tip Investment Options	Investment Descriptions	Investor Profile
<S> The Short-Term Fund	<C> Emphasizes stability of principal through investments in high-quality, short-term securities such as Cds, Treasury bills,	<C> Savers not comfortable with fluctuation in their principal. The Fund as an exclusive or primary investment may

and Treasury notes.

be too conservative for long-term investors seeking to achieve growth for retirement.

The Benchmark Bond Portfolio	Pursues the maximum return consistent with reasonable risk by investing in a broad range of long-term securities with an average maturity of 5 to 15 years, including interest-paying bonds issued by the U.S. government, banks, and corporations. The value of your investment will fluctuate with changes in interest rates and other market conditions.	This option may be appropriate for investors who want a portion of their money in bonds. This fund offers greater income potential than money market securities and more investment risk.
Bond A*		
The Benchmark Balanced Portfolio	Pursues long-term capital appreciation and income through a flexible combination of high-quality stocks, bonds, and money market securities.	Investors looking for a portfolio that will determine by itself what portion of investments should be in stocks and bonds based on market conditions and will adjust the mix as conditions change.
Balanced A*		
The Benchmark Equity Balanced Portfolio	Seeks to provide investment results that approximate the performance of the Standard & Poor's 500 Stock Index, which is comprised of a diversified group of large, well-established corporations.	Long-term investors who prefer a portfolio that replicates a major stock-market index.
Eqldx A*		
The Benchmark Focused Growth Portfolio	Seeks long-term capital appreciation mainly through stock investments in companies with high growth potential. These companies must have been in operation for at least 5 years.	Long-term investors who are comfortable with the potential risks and rewards of a portfolio that is actively managed to produce long-term capital appreciation.
FOCGR A*		

</TABLE>

NORTHERN-EXPRESS/SM/

TIP

TRANSACTION GUIDE

GET ON BOARD THE NORTHERN-EXPRESS

FOR TIP TRANSACTIONS AND INFORMATION

This guide has been assembled to streamline your use of the TIP/ESOP phone system - Northern-Express/SM/. Each transaction section will outline key plan facts and "step you through" the phone process. We hope you find the guide helpful. Please keep it handy and use it as a reference - at home or at work - wherever you anticipate using Northern-Express.

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-Financial Hardship Withdrawals
 -Termination Distributions
 -Rollovers Into TIP
 -Withdrawals That Are To Be Directly Rolled Over
 TIP/ESOP Administrators
 M-8
 (312) 444-7613
 (312) 444-4416

ENROLLING IN TIP FOR THE FIRST TIME

A FEW PLAN FACTS:

You are eligible to join TIP the first of the calendar quarter, following the later of your one year anniversary or your 21st birthday. If you didn't join when you were first eligible, you can enroll in any future pay period.

WHAT YOU NEED TO DO:

Review the enrollment materials that were sent to you when you became eligible. (If you don't have this information call a TIP/ESOP Administrator (312) 444-7613 or (312) 444-4416.)

Send your Beneficiary Designation Form to Benefits, M-8.

Decide how much you want to contribute before-tax and/or after-tax.

Call NORTHERN-EXPRESS 1-(800)-291-PLAN. Make sure you have your Personal Identification Number (PIN) handy. A PIN is automatically sent to your home when you become eligible. (Call Northern-Express to request a new PIN, if you lost yours.)

Once you are on the NORTHERN-EXPRESS line:

- Select "1" for TIP.
- Enter your Social Security Number and PIN.
- Select "8" for Plan Enrollment.
- Enter the percent of pay you want to contribute before-tax and/or after-tax.
- The system will read back this portion of your enrollment and ask you to accept it before moving on to your investment elections.
- Next you will enter the percentage you want to invest in each fund for both your Employee and Company contributions.
- The system will read back this portion of your enrollment and ask you to accept it.

Confirm your entire Enrollment Request before hanging up. Listen for the words, "A confirmation notice will be mailed..."

Watch your mail at home for the confirmation notice.

Review the deduction section of your next paycheck to verify that the deductions have started. (See below for timing.)

WHEN YOUR TRANSACTION WILL BE COMPLETED:

The deadline is midnight (E.S.T.) the business day before pay day. For example,

DATE YOU ENROLLED -----	FIRST CONTRIBUTION DEDUCTED ----- FROM YOUR PAY CHECK -----
March 15 - March 30	April 14
March 31 - April 13	April 28

TRANSFERRING YOUR EXISTING BALANCES FROM ONE INVESTMENT OPTION TO ANOTHER

A FEW PLAN FACTS:

You can transfer money from one investment fund to another any day.

You can transfer a specific dollar amount or an entire fund balance from one investment to another.

Your Employee and Company balances are separate, so you will need separate transactions to make changes to both accounts.

Only Company money (matching contributions) can be transferred to The Northern Trust Stock Fund.

Although there is no limit to the number of transfers you can make, try to resist the temptation of reacting to daily changes in the market. Most investment advisors recommend that you determine your investment strategy based on your long term goals then stick with it until your goals change.

WHAT YOU NEED TO DO:

Review your last quarterly TIP statement or listen to your balances on NORTHERN-EXPRESS to determine the amounts you want to transfer.

It is often helpful to jot your transfers down in advance to use as a guide while you listen to the phone instructions.

For Example:

TYPE ----	AMOUNT -----	FROM ----	TO --
--------------	-----------------	--------------	----------

Employee Money \$5,000 Short Term 50% Bond
50% Index

Call NORTHERN-EXPRESS 1-(800)-291-PLAN (have your PIN handy).

Once you are on the NORTHERN-EXPRESS line:

- Select "1" for TIP.
- Enter your Social Security Number and PIN.
- Select "2" for Fund Balances and Transfers.
- The system will tell you your Employee and Company balance in each fund.
- To initiate a transfer select "1".
- First select the account - Employee or Company.
- The system will read the name of any fund that you currently have balances in. If you don't want to transfer from a fund, enter zero + the # key. When you hear the fund you want to transfer from - enter the amount ending with the # key.
- For the to fund(s), enter the percentage of the dollars being transferred that you want to go into each fund.

Stay on the line to accept and confirm your transfer. Listen for the words, "A confirmation notice will be mailed..."

Watch your mail at home for our confirmation notice.

WHEN YOUR TRANSACTION WILL BE COMPLETED:

If you call NORTHERN-EXPRESS by stock market close generally 4:00 p.m. (E.S.T.) on any business day, your transfer will occur that night.

CHANGING YOUR FUTURE INVESTMENT ELECTIONS

A FEW PLAN FACTS:

<TABLE>

<CAPTION>

The investment options are:

Employee Contributions

<S>

Short Term Fund
Benchmark Bond Portfolio
Benchmark Balance Portfolio
Benchmark Equity Index Portfolio
Benchmark Focused Growth Portfolio

Company Contributions

<C>

Short Term Fund
Benchmark Bond Portfolio
Benchmark Balanced Portfolio
Benchmark Equity Index Portfolio
Benchmark Focused Growth Portfolio
Northern Trust Common Stock Fund

Percentages in each fund must add at 100%

Percentages in each fund must add to 100%

</TABLE>

You can split your investment in 1% increments. Your Employee and Company elections each need to add up to 100%.

You can change your investment elections in any pay period. There are no limits on the number of changes you can make.

Note: To change the investment mix of your existing balances, see page 2 in this guide, Transferring Your Existing Balances.

WHAT YOU NEED TO DO:

Decide how you want to invest your future contributions in advance of your

call.

Call NORTHERN-EXPRESS 1-800-291-PLAN (have your PIN handy).

Once you are on the NORTHERN-EXPRESS line:

- Select "1" for TIP.
- Enter your Social Security Number and PIN.
- Select "3" for Investment Elections.
- The system will tell you your current investment elections for both Employee and Company contributions
- Select "1" to change the investment, either Employee or Company contribution. (If you want to change both, you need to enter and accept one and then select the other.)
- Enter the appropriate percentage, as the system reads each fund.
- Confirm your transaction before hanging up. Listen for the words, "A confirmation notice will be mailed..."

Watch your mail at home for your confirmation notice.

WHEN YOUR TRANSACTION WILL BE COMPLETED:

Investment changes are processed daily. The deadline is 4:00 p.m. (E.S.T.) the business day before pay day.

DATE YOU REQUESTED CHANGE	FIRST PAY CHECK WITH NEW INVESTMENT ELECTIONS
March 15 - March 30	March 31
March 31 - April 13	April 14

CHANGING YOUR CONTRIBUTION RATE

A FEW PLAN FACTS:

You can contribute up to 12% of your salary with before-tax money, after-tax money, or a combination of the two.

The contributions of certain highly compensated employees are limited by the I.R.S. You will be notified if you are in this category.

You can change your contribution rate any pay period.

The Company will match the first 4% you contribute at a rate of \$1.25 on the \$1.00 (provided the earnings target is achieved and you are employed on December 31st).

WHAT YOU NEED TO DO:

Decide what percentage you want to contribute before-tax and/or after-tax.

Call NORTHERN-EXPRESS 1-800-291-PLAN (have your PIN handy).

Once you are on the NORTHERN-EXPRESS line:

- Select "1" for TIP.
- Enter your Social Security Number and PIN.
- Select "4" for Contribution Rates.
- The system will tell you what you are currently contributing.
- Select "1" to change your contribution rate.
- Enter the percentage of pay you wish to contribute before-tax and/or

after-tax.

- Confirm your transaction before hanging up. Listen for the words, "A confirmation notice will be mailed..."

Watch your mail at home for your confirmation notice.

WHEN YOUR TRANSACTION WILL BE COMPLETED:

Contribution changes are processed every pay period. The deadline is midnight (E.S.T.) the business day before pay day.

DATE YOU REQUESTED CHANGE	FIRST PAY CHECK WITH NEW CONTRIBUTION RATE
March 15 - March 30	April 14
March 31 - April 13	April 28

REQUESTING A LOAN

A FEW PLAN FACTS:

You can borrow against your TIP account without incurring any taxes on the funds. And your semi-monthly loan payments, including interest, are credited to your TIP account.

You can have two loans outstanding at a time.

The minimum loan amount is \$1,000 with increases in \$500 increments. (1,500, \$2,000, etc.)

The maximum amount you have available for a loan is available by calling NORTHERN-EXPRESS. If you have never had a loan, you can borrow up to 50% of your vested balance. If you have had a prior loan, see the Sourcebook for details of how your maximum loanable amount is calculated.

You can choose the length of the loan. A general purpose loan can be for any length of time up to 5 years. For the purchase of a primary residence, the maximum loan period is 15 years.

WHAT YOU NEED TO DO:

Call NORTHERN-EXPRESS 1-800-291-PLAN (have your PIN handy).

Once you are on the NORTHERN-EXPRESS line:

- Select "1" for TIP.
- Enter your Social Security Number and PIN.
- Select "5" for Loan Information.
- The system will tell you what the maximum amount you have available and the current interest rate.
- Select "3" to request a loan. (Select "2" to model various loan terms.)
- Enter the loan type, amount and repayment term.

Stay on the line to confirm your transaction. Listen for the words, "A promissory note will be mailed..."

Watch your mail at home for your promissory note.

Send a copy of your signed real estate contract to Benefits, M-8 if your loan term is longer than 5 years.

WHEN YOUR TRANSACTION WILL BE COMPLETED:

Loans are processed twice a month, with deadline being the day before pay day. For example:

DATE YOU REQUESTED LOAN	WHEN YOU SHOULD RECEIVE CHECK	FIRST LOAN DEDUCTION FROM PAY CHECK
March 15 - March 30	April 11	April 14
March 31 - April 13	April 27	April 28

REQUESTING A REGULAR OR AGE 59 1/2 WITHDRAWAL (PAYABLE TO YOU)

A FEW PLAN FACTS:

Withdrawals are processed twice a month.

There is no minimum withdrawal amount.

You can find out your maximum available withdrawal amount by calling NORTHERN-EXPRESS.

Withdrawals are taxable in the year received, unless you roll over the funds into an IRA. (see page 7 Requesting a Regular or Age 59 1/2 Withdrawal (To Be Directly Rolled Over To An IRA.))

Withdrawals prior to age 59 1/2 may also be subject to additional penalty taxes.

WHAT YOU NEED TO DO:

Call NORTHERN-EXPRESS 1-800-291-PLAN (have your PIN handy).

Once you are on the NORTHERN-EXPRESS line:

- Select "1" for TIP.
- Enter your Social Security Number and PIN.
- Select "6" for Withdrawals.
- The system will tell you what you have available for withdrawal.
- Select "2" to initiate a regular withdrawal.
- Enter the amount you want to withdraw (or press # for 100%).
- Confirm your transaction before hanging up. Listen for the words, "A confirmation notice will be mailed..."

Watch your mail at home for your confirmation notice.

WHEN YOUR TRANSACTION WILL BE COMPLETED:

Regular and Age 59 1/2 withdrawals are processed twice a month. The deadline is midnight (E.S.T.) the day before pay day. For example:

DATE YOU REQUESTED WITHDRAWAL	EXPECTED DATE OF CHECK RECEIPT
March 15 - March 30	April 11
March 31 - April 13	April 24

(VIA U.S. MAIL AT HOME)

Any after-tax portion will be sent to your home address via US mail.

REQUESTING A REGULAR OR AGE 59 1/2 WITHDRAWAL (TO BE DIRECTLY ROLLED OVER TO AN IRA)

A FEW PLAN FACTS:

The taxable portion of a withdrawal can be rolled over to an IRA.

Funds you withdraw from TIP under this option cannot be rolled back into

TIP in the future.

If you have after-tax contributions in your account, they may be included in your withdrawal. These funds are not subject to tax upon withdrawal, so they cannot be rolled over to an IRA. The system will automatically make this portion of the withdrawal payable to you with no taxes applied.

WHAT YOU NEED TO DO:

Request a Withdrawal Direct Rollover Form by calling NORTHERN-EXPRESS 1-800-291-PLAN (have your PIN handy).

Once you are on the NORTHERN-EXPRESS line:

- Select "1" for TIP.
- Enter your Social Security Number and PIN.
- Select "7" for Forms Request.
- Select "3" for a Withdrawal Direct Rollover Form.
- Listen for the words, "The requested form will be mailed within two business days."

Watch your mail at home for your promissory note.

If you need to know the amount you have available for withdrawal, call NORTHERN-EXPRESS. Select "1" for TIP, then "6" for withdrawal amounts available.

Complete the Withdrawal Direct Rollover Form and return it to Benefits, M-8. The rollover check will be mailed directly to your IRA, so it is important that the rollover information requested on the form be complete and accurate.

WHEN YOUR TRANSACTION WILL BE COMPLETED:

Withdrawals are processed twice a month. The deadline is a form to Benefits by 5:00 p.m. (C.S.T.) two business days before pay day.

DATE YOUR ROLLOVER FORM ----- IS RECEIVED BY BENEFITS -----	EXPECTED DATE OF CHECK ----- RECEIPT BY IRA* -----
March 15 - March 29	April 11
March 31 - April 12*	April 24

*Any after-tax portion will be sent to your home address via US mail.

PROCESSING TRANSACTIONS THAT STILL REQUIRE COMPLETION OF A PAPER FORM

A FEW PLAN FACTS:

A paper form needs to be completed for:

- Financial Hardship Withdrawals
- Termination Distributions
- Rollovers into TIP
- Withdrawals that are to be directly rolled over to an IRA (see page 7 in this guide, Regular Withdrawals To Be Directly Rolled Over To An IRA).

WHAT YOU NEED TO DO:

You can request a form by calling NORTHERN-EXPRESS 1-(800)-291-PLAN or a TIP/ESOP administrator (312)444-7613 or (312)444-4416. Follow the information and instructions that are provided with the form.

If the form is 2-ply, return both copies to Benefits, M-8. The yellow copy will be returned to you by Benefits to confirm receipt.

WHEN YOUR TRANSACTION WILL BE COMPLETED:

The following are examples of the time frames for the above transactions:

<TABLE>	DEADLINE/PROCESSING	DATE FORM(S)	EXPECTED CHECK RECEIPT
<CAPTION>	FREQUENCY	INTO BENEFITS	OR TRANSACTION PROCESSED
ACTIVITY			
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Financial Hardship Withdrawals	Weekly Processing Deadline 5:00 p.m. (C.S.T.) each Tuesday	3/15 - 3/21* 3/22 - 3/28*	3/31 4/07
Terminations Distributions	Monthly Processing Deadline 5:00 p.m. (C.S.T.) the last business day of each month.	3/01 - 3/31 4/01 - 4/28	TIP AND ESOP 4/30
Rollovers Into TIP	Twice A Month Processing Deadline 5:00 p.m. (C.S.T.) two business days before pay day.	3/14 - 3/29 3/30 - 4/12	TIP AND ESOP 5/31 3/31 4/14

Withdrawals That
Are To Be Directly
Rolled Over To
An IRA
</TABLE>

See Page 7 in this guide,
Regular Withdrawal Directly To Be Rolled Over To An IRA

*Processing time frames assume all required paperwork is complete and hardship necessity is approved on the date shown.

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The Retirement Sourcebook has been developed as a reference guide for you to learn about some of the most comprehensive benefit plans in the industry - those which are offered by Northern. This Sourcebook covers all of the pertinent features of the Pension, Thrift-Incentive and Employee Stock Ownership Plans. And, as much as possible, the text has been written in nontechnical terms to make it easier for you to read and understand. Why? Because knowing and understanding your benefit plans is the only way you can fully appreciate each plan and their respective values to you. Therefore, you are encouraged to read through this document in its entirety.

Once you are comfortable with the entire Sourcebook, the Table of Contents and the Quick-Find Index will help you access specific portions of the document efficiently. Keep in mind that while every effort has been made to insure that the plan features reflected in the Sourcebook are accurate, the full Plan Documents prevail in the event of omissions or differences. You can ask to see a copy of the Plan Documents by contacting the Benefits Division.

Now, we invite you to take this opportunity to inform yourself about three benefit plans that can truly make a difference in your life.

Retirement Plan Milestones

- | | |
|-------------------------|---|
| One year of service. | Your participation in the Pension, TIP and ESOP Plans begins on the first day of the calendar quarter after one year of service, provided you are age 21. |
| Two years of service. | You become 20% vested in the Company's matching contribution to TIP and 20% vested in your ESOP account. |
| Three years of service. | You become 40% vested in the Company's matching contribution to TIP and 40% vested in your ESOP account. |
| Four years of service. | You become 60% vested in the Company's matching contribution to TIP and 60% vested in your ESOP account. |
| Five years of service. | You become 80% vested in the Company's matching contribution to TIP and 80% vested in your ESOP account. |
| | You become 100% vested in your accrued Pension Plan benefit. |
| Six years of service. | You become 100% vested in the Company's matching contribution to TIP and 100% vested in your ESOP account. |
| | You are eligible to diversify a portion of your ESOP account to TIP or receive a portion of your account in cash, provided you are at least age 55. |
| 15 years of service. | You become eligible for early retirement once you reach age 55. If you become totally disabled, Pension Plan benefits continue to accrue. |
| At age 21. | Your participation in the Pension, TIP and ESOP Plans begins the first day of the calendar quarter after you have one year of service. |
| At age 55. | You first become eligible for an early retirement benefit from the Pension Plan provided you have at least 15 years of service. |
| | You are eligible to diversify a portion of your ESOP account to TIP, provided you have at least six years of service. |
| At age 59-1/2. | You may withdraw your vested TIP account balance with no tax penalty. |
| At age 62. | You are eligible for unreduced Pension Plan early retirement benefits if you have 15 or more years of service. |

At age 65. You have reached normal retirement and are entitled to Pension Plan benefits, provided you have at least five years of service.

At age 70-1/2. You must begin to take your required TIP, ESOP and Pension Plan distribution no later than the April 1 following the year you reach age 70-1/2.

If you were a participant in the prior plan of an acquired company at the time of acquisition, you may have different service milestones (see page 12).

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Historically speaking, the Pension Plan is the cornerstone of Northern Trust's benefit program. It dates back to 1913, a year when there were maybe a handful of similar plans. Northern Trust, being the visionary it has always been, recognized - and wanted to reward - employees who dedicated their working years to the Company.

Today, over 80 years later, the plan has changed in response to times and regulations. But what's stayed the same is that you can still count on the Pension Plan to do exactly what it was meant to do three-quarters of a century ago: provide you with a foundation of retirement income for the rest of your life.

ELIGIBILITY AND PARTICIPATION

Virtually everyone employed by the Northern Trust Company is eligible to join the Pension Plan. That includes everyone in Northern Trust affiliates and subsidiaries who have adopted the Pension Plan, but excludes foreign nationals overseas. All we require for participation purposes is that you complete one year of vesting service and are age 21. We'll discuss service in more detail on page 2.

When Participation Begins

Participation automatically begins on the first day of the calendar quarter (January 1, April 1, July 1 or October 1) after you meet the eligibility requirements. There are no enrollment forms to complete.

If You Are Reemployed By Northern

If you are reemployed by Northern following a termination of employment, you will have what is known as a "break in service." Upon your return, your past service will be counted as vesting service and may be counted as credited service. The time you were away may also be counted as vesting service, depending on how long you were gone. Complete details on reemployment are covered on page 11.

If You Participated In An Acquired Company's Pension Plan

If you were a participant in an acquired company's pension plan at the time of acquisition, some eligibility and participation rules may differ from those described in this section. The Benefits Division works with your local management to communicate those differences at the time of acquisition. (See "Acquired Company Prior Plan Benefit," page 12.)

FUNDING THE PLAN

The Pension Plan is completely funded by Northern Trust. There are no employee contributions required, nor are they allowed.

Pre-1957

Until January 1, 1957, Northern people were required to contribute to the Pension Plan. If you were a plan participant then, your contributions will be included in your pension benefit. Since your contributions were taxed when they were made, they are not taxable when they are paid out to you.

1

VESTING: YOUR ENTITLEMENT TO A PENSION

Generally, you're entitled to a retirement benefit from the Pension Plan after just five years of service, even if you leave Northern before retirement. There is no partial vesting for lesser periods. If you leave the Company before you have completed five years of service, you are not entitled to a benefit from the plan. The following "Service" section describes how service is measured.

UNDERSTANDING KEY CONCEPTS AND TERMS

Pension benefits are usually the least understood of all the benefits offered to

employees. We don't want that to be the case with our Pension Plan, so we've tried our best to present the features of the plan in simple terms. There are, however, some relatively complex plan design concepts to grasp.

Three main pieces of the pension formula are service, compensation, and the Social Security offset. Having a clear understanding of these concepts, outlined below, will get you off to a good start in understanding the Plan.

Service

Service is especially important because it is used to determine the following:

1. when your plan participation begins,
2. when you become entitled to benefits,
3. when you can retire early, and
4. along with pay, service figures into the value of your benefit.

How service is counted. In general, your service begins on your first day with the Company, ends when your employment does, and includes all your uninterrupted time as an employee in between up to a maximum of 35 years. In other words, it includes up to 35 years of your time on the Company's payroll. It may even include time you aren't on the payroll (during an unpaid leave of absence or a disability, for example.) (See Other Information You Should Know, "Credit For Service During A Leave," page 11.)

How service is measured. Throughout this section of the Sourcebook, you'll see that service is referred to either as credited service or vesting service. These are the two ways in which the plan measures your time with the Company, and it uses each measurement for different things. For instance, the amount of your benefit and your eligibility to retire early depend on your credited service, while your participation in the plan and your entitlement to benefits depend on your vesting service.

Even though the plan makes a distinction between credited and vesting service, you probably won't have to. For most Northern people, these two measurements will be the same. However, if you leave Northern and later return, special rules apply. (See Other Information You Should Know, "Reemployment," page 11.)

Compensation

In addition to service, your compensation figures prominently in determining the amount of your pension, which is why it's important to note that the plan defines compensation as: "the highest annual average of your compensation during the full calendar months in any five consecutive year period of credited service." Simply put, that's the average of the five years in a row in which your total earnings are the highest. We refer to it as your "high-5" compensation.

What counts as compensation. When the plan figures your high-5 compensation, it considers your base pay (including any before-tax payroll deductions), shift differentials, overtime, and certain Annual Performance Plan incentive awards. However, the IRS requires us to limit the dollar amount the plan uses in determining high-5 compensation. This limit, which is \$150,000 in 1996, is indexed to inflation and adjusted upward in increments of \$10,000. If your pension compensation exceeds this limit, you may be entitled to a benefit from the Supplemental Pension Plan. (See "How The IRS Limits Pensions," page 12.)

The Social Security Offset

Northern Trust makes sizable contributions to the Social Security system on each employee's behalf, over and above what it pays to provide the Pension Plan. The Company's total Social Security contributions for 1995 alone were approximately \$20 million. To balance what we

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pay toward Social Security and to the Pension Plan, the plan's formula has what is known as a "Social Security offset." While the Social Security offset factor is a fixed percentage, the actual amount of the offset will vary from person to person because it's based on your Social Security covered compensation, which we'll call "covered compensation," for short.

Covered compensation. Covered compensation is the average of the maximum taxable wage bases/1/ for the 35 years ending in the year in which you reach Social Security normal retirement age. Covered compensation increases each year because it's an average, and because the taxable wage base goes up every year. The Covered Compensation Table that applies to employees who retire or leave the Company in 1996 is shown to the right.

The 1996 Covered Compensation Table

Covered compensation is tied to the year in which you reach normal retirement age, so look for your birth year to find your own covered compensation. Unlike the Pension Plan, which generally defines normal retirement age as 65, Social Security "normal retirement" age varies from person to person, depending on the year you were born. For people born before 1938, Social Security normal retirement age is 65; for people born from 1938-1954, Social Security normal retirement age is 66; for people born after 1954, Social Security normal retirement age is 67. Remember, the covered compensation table changes annually. A new one is available from the Benefits Division each year.

A reminder about Social Security. Social Security retirement benefits are not paid automatically; you must apply for them. You can file your application with the Social Security office nearest you, and you should do so at least three months before you plan to retire. Although your Social Security normal retirement age depends on the year you were born, you can arrange to have your Social Security benefit start as early as age 62. You can get more information on Social Security by contacting the nearest Social Security office.

/1/ The maximum taxable wage base is the maximum amount of pay subject to Social Security taxes each year. The maximum taxable wage base for 1996 is \$62,700. If your average earnings (up to the taxable wage base) in the three consecutive years in which your earnings were the highest are less than your covered compensation, the offset will be based on those average earnings.

1996 Covered Compensation Table

Year of Birth	Year Social Security Retirement Age Is Reached	1996 Covered Compensation
1924	1989	\$16,968
1925	1990	18,312
1926	1991	19,728
1927	1992	21,192
1928	1993	22,716
1929	1994	24,312
1930	1995	25,920
1931	1996	27,576
1932	1997	29,232
1933	1998	30,888
1934	1999	32,532
1935	2000	34,188
1936	2001	35,796
1937	2002	37,392
1938	2004	40,536
1939	2005	42,108
1940	2006	43,668
1941	2007	45,204
1942	2008	46,692
1943	2009	48,108
1944	2010	49,488
1945	2011	50,844
1946	2012	52,164
1947	2013	53,448
1948	2014	54,588
1949	2015	55,644
1950	2016	56,580
1951	2017	57,444
1952	2018	58,224
1953	2019	58,932
1954	2020	59,592
1955	2022	60,720
1956	2023	61,224
1957	2024	61,644
1958	2025	61,980
1959	2026	62,244
1960	2027	62,448
1961	2028	62,592
1962	2029	62,652
1963	2030	62,700

and later

For those not yet at Social Security retirement age, the 1996 taxable wage base is assumed to remain unchanged in the future.

Protected Prior Plan Provisions

Most of the Pension Plan provisions apply equally to all Northern people. Plan rules governing participation, vesting, and payment options, for example, are the same for everyone. In some cases however, certain prior plan provisions have been protected for a predefined period of time. We call these "grandfathered" provisions. Throughout this document grandfathered provisions will be identified for you with an asterisk (*).

Participants eligible for grandfathering are Northern people who were employed on December 31, 1995. Grandfathering applies up through December 31, 2000 for the plan provisions in effect prior to 1996, as noted below. These provisions are outlined in detail in the December, 1995 Sourcebook Supplement.

- the basic pension formula;
- the minimum benefit formula;
- the joint and survivor benefits;
- the preretirement survivor benefits; and
- early retirement benefits

Minimum Benefit Formula For Grandfathered Employees

Eligible grandfathered employees get the benefit of having their pension compared to a second formula (shown below). If the second formula yields a higher benefit than the 1996 formula (shown in the box to the right) covering all eligible years of service with Northern, grandfathered employees will receive the higher benefit.

Minimum Benefit Comparison Formula

On the earlier of your termination date or December 31, 2000, your minimum benefit will equal your accrued benefit calculated under the plan formula in effect for you as of December 31, 1995 applied to all your years of eligible service up through December 31, 2000.

The minimum benefit formula is not applied to employees hired January 1, 1996 or later.

HOW YOUR BENEFIT IS FIGURED

Our plan is referred to as a "defined benefit" plan. That means your pension is calculated according to a specific formula. The actual amount of your pension will depend on a number of factors, such as your age and how much service you have when you retire, your high-5 compensation, and how you elect to take your benefit. But it all starts with the basic pension formula.

Basic Pension Formula

The basic pension formula is where everyone begins. The formula takes into account three things: your credited service up to 35 years, your high-5 compensation, and the Social Security offset. Review the Plan Formula below and then let's apply a dollars and cents example.

1996 Plan Formula

Step 1 1.8% of high-5 compensation TIMES up to 35 years of credited service

MINUS

Step 2 .50% of the Social Security covered compensation offset TIMES up to 35 years of credited service

Example. Suppose you retire in 1996 at age 65 with 35 years of credited service and high-5 compensation of \$27,000. If you refer to the chart on page 3, you'll see that the Social Security offset for a person born in 1931 is \$27,576. The formula always uses the lower of the covered compensation figure from the table on page 3 (in this case \$27,576) or the average of your salary in the three consecutive years in which your earnings were the highest. The rest is simple math, as shown below:

Step 1 1.8% of \$27,000 = \$486; \$486 x 35 yrs \$17,010

MINUS

Step 2 .50% of \$27,000 = \$135.00;
 \$135.00 x 35 yrs - \$ 4,725

 \$12,285*

* Grandfathering applies to eligible participants who will receive the greater

value of this formula or the Minimum Benefit Comparison formula as indicated on the left side of this page.

In this example, you would receive an age-65 basic annual pension of \$12,285 payable in the manner you elect. (See Payment Options, page 12.)

WHEN YOU CAN RETIRE...AND WHAT HAPPENS THEN

When you retire is pretty much up to you. The Pension Plan offers you several retirement dates from which to choose, as well as a say in how your pension is paid.

Normal Retirement

Retiring at age 65 is considered a normal retirement. It's the point at which you become eligible to retire and receive a benefit. The only exception to this rule applies to those who joined Northern after age 60, in which case normal retirement is the earlier of completion of five years of vesting service or five years of participation.

What happens then. The way your benefit is normally paid depends on your marital status at retirement. If you are not married when payments begin, your pension will be paid as a single life annuity. As its name implies, a single life annuity is paid over one lifetime: yours. You receive a prorated benefit if your first month of retirement is a partial month; a fixed benefit each month thereafter. The monthly amount is determined by the plan formula - for as long as you live. Payments stop when you die.

If you are married at retirement, your pension will be paid as a 50% joint and survivor benefit. A joint and survivor benefit pays you a reduced benefit for your lifetime. When you die, your spouse receives one-half of your benefit for the rest of his or her life. A joint and survivor benefit pays smaller monthly benefits than you would normally get under a single life annuity. That's because payments are expected to be made over two lifetimes - yours and your spouse's - instead of yours alone. But reducing your monthly benefit lets you continue half of it to your surviving spouse if you die.

If your surviving spouse dies before your unmarried dependent children reach age 21, payments may continue to your children. (See Survivor Protection For Your Family, "Eligible Survivors," page 10.)

Normal Retirement Payment Options At A Glance

The following automatic and optional forms of payment may be available to you at normal retirement. See Payment Options, page 8, for more details on how each works and how you may elect one.

- 50% joint and survivor annuity (the automatic form of payment for married employees)
- Single life annuity (the automatic form of payment for single employees; an option for married employees)
- Lump sum
- 100% joint and survivor annuity (for married employees who retire with 15 or more years of credited service)

Early Retirement

The pension plan allows for retirement prior to age 65. You can retire early anytime after you reach age 55 and complete 15 years of credited service. If your career with Northern ends before your 65th birthday, you may elect:

- To receive your full pension entitlement beginning at age 62 (or your age at termination if later); or
- To receive a reduced pension beginning at your early retirement age. The reduction factor is 0.5% for each month (6% for each year) you receive payments prior to your 62nd birthday.

Let's see how each of these choices work in the following example:

Example. We will use the same retirement year and salary assumptions from the previous example on page 4 but let's say you take early retirement at age 57 with 27 years of credited service instead of normal retirement at age 65, when you would have had 35 years of credited service. Step-by-step, here is what it looks like.

Step 1 1.8% of \$27,000 = \$486; \$486 x 27 yrs \$13,122

MINUS

Step 2 0.5% of \$27,000/1 /= \$135; \$135 x 27 yrs -3,645

Pension payable at age 62 \$ 9,477/yr*
\$ 789/mo

MINUS

Step 3 Apply the reduction for early retirement from age 62. Age 57 is 60 months early;
60 x 0.5% = 30%; 30% of \$9,477 -2,843

Pension at age 57 \$ 6,634/yr*
\$ 552/mo

When payments begin. You can choose to have your benefits begin immediately or payment can be deferred up to your Normal Retirement Age. A lump sum payment can be deferred up to age 62.

Early Retirement Payment Options At A Glance

The following automatic and optional forms of payment are available to early retirees regardless of when their pension begins. See Payment Options, page 8, for more details on how each works and how you may elect one.

- 50% joint and survivor annuity (the automatic form of payment for married employees)
- Single life annuity (the automatic form of payment for single employees; an option for married employees)
- Lump sum
- 100% joint and survivor annuity (for married employees who retire with 15 or more years of credited service)
- Level income

Electing an early retirement. If you decide to retire early, contact the Benefits Division for information on benefits and the required forms. You should do this about three to six months before you expect to retire since your benefit election must be made in writing within the 90-day period prior to your last day worked or your payment will be delayed.

Postponed Retirement

You may postpone your retirement past age 65. In that case, you continue to earn credited service (up to a maximum of 35 years) and your retirement date is the last day you are paid. However, if you are still working after age 70-1/2, the law requires that you start to receive your vested accrued benefit no later than April 1 of the year following the calendar year in which you turn 70-1/2./2/

What happens then. The automatic and optional forms of benefit payment available to you at normal retirement are also available to you at postponed retirement. (See "Normal Retirement Payment Options At A Glance," page 5.)

/1/ The formula always uses the lower of the covered compensation figure from the table on page 7 (in this case \$42,108 based on a 1939 birth year) or the average of your salary in the three consecutive years in which your earnings were the highest.

* Grandfathering applies to eligible participants who will receive the greater value of this formula or the Minimum Benefit Comparison formula as indicated on page 4.

/2/ This automatic pension commencement provision does not apply to employees who reached age 70-1/2 before January 1, 1988, provided they were not five percent owners of the Company in the year in which they reached age 66-1/2, or any subsequent year.

Vested Terminee Benefit

If you leave the Company for any reason after you have five or more years of vesting service but before you are retirement eligible (age 55 with 15 or more years of service or, your normal retirement age), you will be entitled to a vested terminee benefit. The benefit is calculated using the basic pension formula.

What happens then. A vested terminee benefit normally begins when you reach 65. However, upon your termination you have a one-time election opportunity to commence your benefit effective the first of the month following termination. If you choose to start your benefit immediately, it will be actuarially adjusted to reflect early commencement. If you defer commencement of your benefit and have less than 15 years of service, your benefit will start at age 65. If you have 15 or more years of service, you can defer commencement of your benefit to anytime between ages 55 and 65.

Example: Suppose you were hired in 1980 at age 25 and you leave Northern in September, 1996 with 16 years of service. While employed, your average compensation was \$27,000. You are eligible to either commence your benefit immediately (monthly annuity or a lump sum) or, since you have 16 years of service, you can defer commencement of an annuity to any time between the ages of 55 - 65. Using the plan formula on page 4 here's what the calculation produces.

Step 1 1.8% of \$27,000 = \$486; \$486 x 16 yrs \$7,776

MINUS

Step 2 .50% of \$27,000/1/ = \$135.00;
\$135.00 x 16 yrs

- \$2,160

\$5,616*

Age 65 Monthly Benefit \$ 468/mo

Age 55 Monthly Benefit \$ 187/mo
(Reduced by 6%/yr for 10 yrs)

Immediate Annuity \$ 51/mo
(Reduced from age 55 by
actuarial table)

/1/ The formula always uses the lower of the covered compensation figure (in this case \$60,720) or, the average of your salary in the three consecutive years in which your earnings were the highest.

* Grandfathering applies to eligible participants who will receive the greater value of this formula or the Minimum Benefit Comparison formula as indicated on page 4.

Vested Terminee Benefit Payment Options At A Glance

Here are the automatic and optional forms of payment available to you as a vested terminee if the total value of your benefit at termination of employment is equal to or greater than \$3,500. If the value is less than \$3,500, your payment will automatically be paid as a lump sum. See Payment Options, page 8, for more details on how each works and how you may elect one.

- Immediate lump sum (can only be chosen at termination)
- Immediate 50% joint and survivor annuity/2/ or single life annuity
- Deferred 50% joint and survivor annuity/2/ (the automatic form of payment for married employees)
- Deferred single life annuity (the automatic form of payment for single employees; an option for married employees)

/2/ This is available by taking an actuarial reduction on your single life annuity.

When payments begin. You can choose to have the payment of your benefits begin immediately, or payment can be deferred according to the schedule below.

Vested Terminee Benefit Payment Options

Credited Service	Annuity	Lump Sum
Less than 15 years	Can be deferred to age 65	Available upon termination only - no deferral

Equal to or greater than 15 years	Can be deferred to anytime from age 55 to 65*	Available upon termination only - no deferral
---	---	---

* Payments that begin before age 65 will be reduced to reflect your age at commencement.

PAYMENT OPTIONS

Most employees will probably find that the automatic forms of payment - the single life annuity for unmarried employees and the 50% joint and survivor annuity for married employees - will meet their need for a steady source of retirement income. But since everyone likes to have a choice, payment options are built into our Pension Plan. This section outlines what those options are. As you review your payment options, keep in mind that if you are married and want to elect an optional form of payment, you must provide the Company with your spouse's written, notarized consent.

Forms Of Pension Payment At A Glance

Type of Retirement	Methods of Payment	
	Automatic	Optional
Normal or Postponed	- Single employees: single life annuity	- lump sum
	- Married employees: 50% joint and survivor annuity	- lump sum - 100% joint and survivor annuity* - single life annuity
Early	- Single employees: single life annuity	- lump sum - level income
	- Married employees: 50% joint and survivor annuity	- lump sum - level income - 100% joint and survivor annuity* - single life annuity
Vested Terminee	- Single employees: single life annuity	- lump sum
	- Married employees: 50% joint and survivor annuity	- lump sum - single life annuity

* For married employees with 15 or more years of credited service

Single Life Annuity

A single life annuity is the automatic form of payment for unmarried employees. But it is also available as an option to married employees. If you elect a single life annuity, you would get the full monthly benefit determined by the plan's formula. Single life annuity payments are made to you for your life. Payments end when you die. (See When You Can Retire... And What Happens Then, page 5.)

100% Joint And Survivor Annuity

This option is available under Normal, Early, or Postponed retirements and to certain acquired company prior plan participants. You may elect the 100% joint and survivor annuity if you have 15 or more years of credited service and you are married when you retire. You would receive reduced monthly payments for life. After your death, your surviving spouse would receive the same monthly benefit you received, for the rest of his or her life. Your monthly payments are reduced to account for the extra income your spouse is expected to receive.

Example. To illustrate how this works, we'll look at two employees, Tom and Joan. To keep things simple, we'll ignore discount rates and the time value of money, but make the following assumptions:

- Both Tom and Joan have identical service and salary and retire at the same age with a pension of \$1,000 a month.
- Tom is married and his wife is younger than he is.
- Joan is single.
- Both employees are expected to receive benefits for 15 years, which means they

would each receive 180 monthly payments. Tom's wife is expected to receive payments for 10 years following Tom's death (that is, she will receive 120 monthly payments).

Joan's Pension

The total value of Joan's pension is \$180,000:
\$1,000 a month x 180 months = \$180,000

Tom's Pension

Tom and his wife are entitled to a reduced 50% joint and survivor annuity. The total value of the payments they both receive must add up to \$180,000. It works out like this:

Tom:	\$750/month x 180 months	= \$135,000
+ spouse:	\$375/month x 120 months	= \$ 45,000

Total Value of Tom's Pension		= \$180,000*

* Grandfathering applies to eligible participants who will receive the greater value of this formula or the Minimum Benefit Comparison formula as indicated on page 4.

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If Tom and his wife elect the 100% joint and survivor annuity, Tom's monthly benefit will be reduced:

Tom:	\$600/month x 180 months	= \$108,000
+ spouse:	\$600/month x 120 months	= \$ 72,000

Total Value of Tom's Pension		= \$180,000*

As you can see, Tom and Joan each would be entitled to a \$180,000 pension. But because Tom opts to provide his wife with a continuing income after his death, he's willing to "trade off" part of his benefit. How much Tom actually gets depends on how much of his benefit is continued to his wife. For example, he'd get \$750 a month if he chose to have 50% of his benefit continue to his wife; he'd get \$600 a month if she were to receive 100% of his benefit.

Level Income

This form of payment is an option for Northern people with 15 or more years of credited service who retire before their Social Security retirement benefits begin. It provides both survivor protection and increased pension payments until Social Security benefits start. Once your Social Security benefits begin, your Pension Plan benefit is reduced. Your pension before you receive Social Security would be about the same as the total of your pension and Social Security benefits, hence the "level income" throughout retirement.

If you die while receiving payments under the level income option (before or after your social security benefits begin), your spouse would receive 50% of the pension you would have been entitled to under the 50% joint and survivor annuity at your early retirement date. This survivor benefit is actuarially reduced.*

Lump Sum

Instead of monthly payments, you may elect to have your pension paid in one cash payment. The payment will be of the same actuarial value as the pension you otherwise would automatically receive. When converting your monthly payments to a lump sum, a 30 Year Treasury Rate (which is adjusted quarterly) is used to calculate the present value of your annuity. If you retire from the Company, payment will be made at the end of the month following your retirement date. If you leave the Company with a vested terminable benefit, payment will be made at the end of the month after 120 days have elapsed following your last day with the Company./1/

* Grandfathering applies to eligible participants who will receive the greater value of this formula or the Minimum Benefit Comparison formula as indicated on page 4.

If the value of your pension is less than \$3,500. If the total value of your benefit at retirement or termination of employment is \$3,500 or less, your benefit will automatically be paid as a lump sum.

Benefit Election Requirements

When you must apply to the Benefits Division for your pension depends on two things:

- Your status when you leave the Company (that is, whether you are a retiree or a vested terminable); and

- how you want your pension paid to you.

Benefit Election Requirements

	Retirees	Vested Terminees
When to apply for benefits:		
- Automatic form of payment	Application required upon decision to retire	Application required upon termination
- Optional form of payment	Election Form due by last day of work	Election Form due within 90 days after benefit information is provided
Revoking your payment election	Any time before payments begin	Any time before payments begin

Automatic and optional forms of payment are outlined on page 8.

/1/ Under a transition rule, lump sum distributions paid in the first 6 months of 1996 will never be less than the amount calculated using the January 1995 PBGC rate of 6%. As before, a factor of 1.2 will be applied to this rate for vested terminees with a lump sum value over \$25,000.

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Thinking It All Through

As you can see, much thought goes into when to retire and how to have your pension paid. As your retirement nears, the Benefits Division will discuss all of the options with you in detail. Also keep in mind that Pension Plan distributions will have some tax implications. (See Other Information You Should Know, "Taxes Upon Distribution," page 12.) We recommend that you discuss the pros and cons of any benefit payment with your tax advisor.

SURVIVOR PROTECTION FOR YOUR FAMILY

The primary purpose of the Pension Plan is to provide you with retirement income. But the plan also provides - and pays for - a measure of financial protection for your spouse/1/ and in some instances, for your children too, after your death. The extent and amount of survivor protection depends on your credited service. The spouse and eligible children provision covers Northern people with 15 or more years of credited service, while the spouse only provision is for employees who die with at least five but less than 15 years of credited service.

Survivor protection is provided automatically. It may not be waived unless you elect a lump sum pension or single life annuity.

Survivor Protection If Death Occurs Before Pension Payments Commence
This form of survivor protection is payable under one of the following three circumstances:

- if you die while employed by Northern after you are vested;
- if you die after leaving Northern with a deferred retirement or vested terminee pension (and before payments commence); or
- if you die after you are vested and while receiving benefits from the Northern Trust Long Term Disability Plan.

/1/ In the case of a Vested Terminee or Retiree who deferred commencement of their benefit, or an in-service death of a vested employee, by "your spouse" we mean the person to whom you are married when you die. If you die as a Vested Terminee or Retiree who is receiving a benefit, your surviving spouse, in order to receive this benefit, must be the person to whom you were married on the date you commenced your benefit.

If your death occurs under these circumstances, your survivor would be entitled to a monthly benefit equal to one-half of the benefit you would have received if you had terminated on the day before you died (or on your actual termination date, if earlier) and elected the 50% joint and survivor form of payment.*

Eligible Survivors. Certain family members are entitled to survivor benefits based upon your length of service;

- if you have less than 15 years of credited service, your spouse alone is

entitled to the survivor benefit which will be payable for his or her lifetime.

- if you have 15 or more years of credited service, your spouse and unmarried children under age 21 count as eligible survivors. Thus, if you die without a spouse, each child would receive the survivor benefit for as long as he or she was eligible (i.e., less than age 21 and unmarried). If your spouse were to die after you and be survived by eligible children, the survivor benefit would continue while those children remain eligible. Note that:
- if you have no spouse and more than one eligible child, the survivor benefit will be divided equally among the eligible children; and
- children born or adopted after you leave Northern are not eligible for a survivor benefit.

When Payments Begin. When survivor benefits may commence is based on the same options that would have been available to you at the time of your death. All survivor benefits are reduced for early commencement and are adjusted for the 50% joint and survivor form of payment.

Survivor Protection If Death Occurs After Pension Payment Commences

If you die after pension payments have commenced, a survivor benefit will be payable only if you elected the 50% or 100% joint and survivor form of pension at the time your payments commenced.

*Grandfathering applies to eligible participants who will receive the greater value of this formula or the Minimum Benefit Comparison formula as indicated on page 4.

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Death Benefits

There are also times when an additional lump sum death benefit may be payable to your beneficiary. If you were working at least 20 hours a week before you retired and were receiving monthly retirement benefits, your beneficiary is eligible for this special benefit. The death benefit is \$5,000. If you choose a lump sum for your retirement payment, your death benefit will be cashed out in a lump sum at the time of your retirement.

OTHER INFORMATION YOU SHOULD KNOW

Credit For Service During A Leave

The following chart shows how credit is given for service under the following circumstances: an unpaid leave of absence, military leave, short term disability, and long term disability.

Unpaid Leave of Absence of Up To One Year including Family Care Leave	Counts as vesting and credited service.
Military Leave	Counts as vesting and credited service if you return to the Company within the period required under law.
Short Term Disability	All leave time counts for vesting and credited service.
Long Term Disability	If you have at least 15 years of credited service when disability begins, all time counts for vesting and credited service. If you have less than 15 years of credited service when disability begins, nine months can be counted for both vesting and credited service.

Reemployment

Vesting Service. If you leave and are later reemployed by Northern, your past service will count as vesting service.

Credited Service. If you leave and are later reemployed by Northern, your past service will count as credited service if either -

- you did not receive a lump sum from the Plan when you left or
- you repay the lump sum distribution you received from the Plan (with interest)
 - within five years of the date of your reemployment (if your reemployment occurs on or after January 1, 1994, and if your break in service was less than 5 years) or
 - at any time prior to termination of employment (if your reemployment occurred prior to January 1, 1994).

If you do not repay the lump sum or are not eligible to repay the lump sum, your pension when you eventually retire or leave again will be based on the plan formula and your salary years and credited service after your return.

Break in Service. Your break in service (the period of time between your termination of employment date and reemployment date) will count as vesting service (but not credited service) if the break in service is less than one year.

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Reemployed Retirees. If you were receiving monthly payments from the Plan when you are reemployed, your monthly payment may be withheld in the following situations:

- your monthly payment will be withheld for any month after your normal retirement age in which you work for Northern for eight or more days; and
- your monthly payment will be withheld for any month prior to your normal retirement age in which you work for Northern.

Upon your subsequent termination of employment, your monthly benefit payable from the Plan will be recalculated to take into account salary and service earned after your reemployment. Monthly payments will recommence no later than three months following your subsequent termination of employment.

Employees Reemployed on or after January 1, 1996. If you were originally employed prior to 1996, left, and are reemployed by Northern on or after January 1, 1996, benefit determinations will be considered under the Plan in effect upon your reemployment. Your past service will be considered for vesting and credited service in the manner described above to determine your Plan benefit under the current provisions.

To the extent your past service is considered credited service after your reemployment (i.e., you did not receive a lump sum distribution or you repaid the lump sum distribution) - that service period is considered under the grandfathered formula and options, the value of which would be the minimum benefit you would receive upon subsequent termination.

Acquired Company Prior Plan Benefit

If you worked for an affiliate of the Company prior to the date of affiliation, you may have certain other grandfathered provisions from a prior plan or special vesting and credited service dates agreed to at the time of the affiliation.

Affiliate benefit merger agreements are documented in detail as part of the Plan Document. Be sure to review your affiliate service dates with the Benefits Division when you discuss your retirement benefit options.

How The IRS Limits Pensions

While the Pension Plan uses a specific formula to determine your benefit, the amount of that benefit is subject to certain IRS limits. These limits, which generally affect only highly-paid employees, change from time to time as tax laws change. Therefore, your benefit may be reduced due to IRS limits. When this applies, you may receive a payment from the Supplemental Pension Plan. Payments from this plan do not qualify for any special tax treatments available for payment from the Qualified Pension Plan.

Taxes Upon Distribution

The tax treatment of your pension depends on whether you take it as an annuity or in a lump sum, among other factors. Annuity payments are taxed as ordinary income in the year in which they are received. You are responsible for paying these income taxes, which you can do by having taxes withheld from your pension payments. Alternatively, you can elect in writing on the appropriate form not to have taxes withheld.

Lump sums are treated differently. If you elect a lump sum distribution, you have three choices for the taxable portion of your payout:

- Request a Direct Rollover to an IRA or another employer's qualified plan, in which case you continue to defer paying taxes; or

- take it in cash, in which case it is considered taxable income, and 20% for federal taxes will automatically be withheld; or

Note: With this option you still have 60 days to roll over your lump sum distribution to an IRA or other qualified plan.

- split your distribution to have some directly rolled over and some paid in cash with taxes withheld.

If you choose not to roll over your lump sum, you are responsible for paying the income taxes that apply in the year you receive your payment.

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Five-year forward averaging. If you have at least five years of Pension Plan participation and are 59-1/2 years old or older, you may qualify under current tax law for a tax advantage called "five-year forward averaging." In general, five-year forward averaging can prevent payment of your lump sum from forcing you into a higher tax bracket. You can take advantage of five-year forward averaging only once.

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 Pension Plan participation. It's similar to five-year forward averaging, only your taxes are calculated over a 10-year period instead of a five-year period. You can take advantage of this tax treatment only once, and you cannot use both five and 10-year forward averaging.

Capital gains treatment. Capital gains treatment, in which income is taxed at a special low rate, is limited to the portion of your lump sum 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 lump sum may be taxed as ordinary income or under the five- or 10-year forward averaging rules.

Excise tax. Current tax law imposes a 10% penalty on any lump sum distribution made before age 59-1/2. The excise tax does not apply under any of the following circumstances:

- you meet the requirements for early retirement;
- you are 59-1/2 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 within 60 days of receiving the distribution;
- the withdrawal is used for tax deductible medical expenses (that is, 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.

Tax laws are complicated and subject to change. Individual tax treatment can vary greatly from employee to employee. You should consult a professional tax counselor or financial advisor before electing or receiving a distribution.

Using Your Benefit Statement In Your Planning

Your annual benefit statement is a very important financial planning tool. Among other things, it gives you an estimate of what you can expect from the Pension Plan. Your statement also estimates your Social Security retirement benefit, and your benefits from two other Northern Trust plans that figure so prominently in your future: TIP and ESOP. If you have any questions about your benefit statement, the Benefits Division can answer them.

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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 people to put something away for the future. Recognizing that a systematic method of saving isn't always easy, TIP offered an incentive to join the plan: 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, profit-sharing, and a broad range of investment opportunities. It's a voluntary plan. But the incentive is one of the most competitive offered. And since 90% of those eligible currently contribute to TIP, it's obvious that most of you recognize a good thing.

ELIGIBILITY AND PARTICIPATION

Virtually everyone employed by the Northern Trust Company is eligible to participate in TIP. That includes everyone in Northern Trust affiliates and subsidiaries who have adopted TIP, but excludes foreign nationals overseas. All we require for participation purposes is that you finish a year of service with Northern, and that you're age 21.

When Participation Begins

Once you're eligible, you can start participating on the very next quarterly enrollment date. TIP enrollment is held four times a year: January 1, April 1, July 1 and October 1. The Benefits Division keeps track of who's eligible to join TIP and when. They'll contact you before your first enrollment opportunity.

Joining later on. You don't have to join TIP as soon as you're eligible. In fact, if you don't enroll the first time you're eligible, you can join on any following payroll date. But, you are encouraged to join as soon as eligible since the Company match (described later on) is based on the contributions you make each pay period. (See "The Company Matching Contributions," page 17.)

About your enrollment. Joining TIP requires a lot of decisions on your part. For example, you have to tell us how much you want to save, whether it's on a before- or after-tax basis, how you want your savings invested, and so on. You'll tell us all of this during your TIP enrollment process. Your enrollment directions will also serve as your authorization to Northern Trust to take your TIP contributions out of each paycheck.

Naming a beneficiary. You'll 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. You may name anyone you choose as your beneficiary. But, by law, if you are married, you must name your spouse as your beneficiary. The only time this provision is waived is when your spouse agrees to it in writing. Your spouse's waiver must be notarized and filed with the Benefits Division.

How it Happens . . . the Northern-Express/SM/

Most of what you do throughout your participation in TIP will happen through an interactive voice response system called Northern-Express/SM/ which was designed to handle your requests. Northern-Express/SM/ is a convenient 24 hour telephone system that enables you to access information about your account, simply by using a touch tone telephone. You will use it to enroll in the plan, make investment elections and changes, transfer balances, request loans or withdrawals, and a variety of other activities.

You can access Northern-Express/SM/ by calling 1-800-291-PLAN(7526) and using your Personal Identification number (PIN). Use of your PIN authorizes us to treat the touch tone responses you make as your electronic signature, having the same binding effect as your written signature. Also, anytime you complete a transaction on Northern-Express/SM/ you will be sent a written confirmation of that activity.

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FUNDING YOUR TIP ACCOUNT

TIP is funded with your savings and with Northern Trust's contributions on your behalf. Since the Company's contributions are partially dependent upon the achievement of a Corporate net earnings goal, it is considered a contingent thrift savings plan. Whatever money you direct to TIP, and whatever the Company adds to it, is invested for potential tax deferred growth.

[CHART APPEARS HERE]

It All Starts With Your Savings

TIP starts with your savings. You've got to put money into the plan to be entitled to Northern's match. The more you save, and the longer you're in, the more Northern 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. How it comes out is up to you, since you have two choices:

- before taxes are taken out; or
- after your pay has been taxed.

You can even opt for a combination of the two with a total limit of 12%. 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 purpose of TIP, your pay is your annual base salary, plus shift differentials. Severance pay, overtime, bonuses or other types of compensation don't count.

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

After-Tax Contributions

When you save with after-tax dollars, you're contributing money that has already been taxed. You may contribute up to 12% of your pay on an after-tax basis. (The Tax Reform Act of 1986 changed the way withdrawals of after-tax savings are treated. See Access To Your Savings: Loans And Withdrawals, page 21 and Withdrawals of after-tax money, page 24.)

Before-Tax Contributions

TIP, which qualifies as a 401(k)* plan, lets you save up to 12% of your pay on a before-tax basis. When you save with before-tax dollars, you're actually telling the Company 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 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. That's also when the tax-free status ends. (See Other Information You Should Know, "Taxes Upon Distribution," page 26 for more information on TIP and taxes.)

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.

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

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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.

The Internal Revenue Service has specified savings limits which may affect your deposit amounts.

- First, there is an overall maximum on the dollar amount you may deposit to TIP on a before-tax basis each year. This maximum changes annually to follow changes in the cost of living. For 1996, the maximum is \$9,500.
 - Next, "highly-paid" employees may have their before-tax or after-tax deposits limited to a specific percent of pay if overall plan participation among Northern people does not satisfy the IRS participation tests. ("Highly-paid" employees were originally defined as those earning at least \$50,000 a year, and updated annually.) For example, if your 1996 annual salary is \$66,000 or more, your before-tax contributions will be limited to 7%.
 - Finally, there is a limit on the amount of pay that can be considered for TIP purposes, which for 1996 is \$150,000.
- The TIP/ESOP Representatives will notify anyone affected by 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 ones that follow are based on 1996 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 \$25,000 a year, claim three federal income tax exemptions and currently save 4% of your gross pay in TIP. Since you can save that 4% 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.

	TIP After-tax Savings	TIP Before-tax Savings
Annual Gross Pay	\$25,000.00	\$25,000.00
TIP Before-tax Savings	- -0-	- 1,000.00
	-----	-----
Taxable Income	\$25,000.00	\$24,000.00
Estimated Federal Income Tax Withholding*	\$-1,638.00	\$-1,488.00
Social Security Tax	-1,912.50	-1,912.50
TIP After-tax Savings	- 1,000.00	- -0-
	-----	-----
Take-home Pay	\$20,449.50	\$20,599.50
Increased Take-home Pay		\$150

* Based on 1996 tax rates.

Example B. In the following example, we've shown a married employee earning \$50,000 a year, claiming three federal income tax exemptions, who saves 10% of gross pay in TIP.

	TIP After-tax Savings	TIP Before-tax Savings
Annual Gross Pay	\$50,000.00	\$50,000.00
TIP Before-tax Savings	- -0-	- 5,000.00
	-----	-----
Taxable Income	\$50,000.00	\$45,000.00
Estimated Federal Income Tax Withholding*	\$-5,388.00	\$-4,638.00
Social Security Tax	-3,825.00	-3,825.00
TIP After-tax Savings	- 5,000.00	- -0-
	-----	-----
Take-home Pay	\$35,787.00	\$36,537.00
Increased Take-home Pay		\$750

* Based on 1996 tax rates.

How Much You Can Save

The most you can save in TIP is 12% of your pay. But, you can save in any combination you like, as long as it's in whole percentages, and doesn't go over the 12% limit. The most you can save each year dollar-wise on a before-tax basis is determined by law. The rules can change from year to year. The TIP/ESOP Representatives will let you know if your elected before-tax contributions exceed the legal limit.

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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. You can change your contribution amount any pay period by calling Northern-Express/SM/. (See Other Information You Should Know, "Handling Your Requests," page 25.)

The Company Matching Contributions

Northern Trust will match a portion of what you save each year. The maximum Company contribution depends on Northern Trust's earnings for the year. There is also a minimum Company contribution that is granted regardless of earnings results.

The maximum Company match can be as high as \$1.00 for each \$1.00 you save up to 4% of your pay. The minimum match of \$.50 for each \$1.00 you save up to 4% of your pay is paid annually regardless of whether or not Corporate earnings goals are met. If the total Company match is paid (\$1.00 for each \$1.00 you save up to 4%) it translates into an additional 4% of pay Company contribution each year!

For example, if you earn \$25,000 and decide to save 4% in TIP:

$$(\$25,000 \times 4\% = \$1,000)$$

The minimum match is \$.50: 1,000 x \$.50 = \$ 500.00

The additional match
could be as high as \$.50: 1,000 x \$.50 = +500.00

The maximum match is: \$1.00: \$1,000.00

\$1,000/\$25,000 = 4% of your salary.

To get the full 4% matching contribution, two things must happen. First, you must contribute at least 4% of pay each pay period and be an eligible participant at year-end. If you leave the Company before December 31, you won't be eligible for any of the year's matching contribution unless you retire, become permanently disabled, take an authorized leave of absence, or die during the year. In any of these events, the Company contribution to your TIP account will be based on your contributions that year.

The second event that triggers the maximum Company match is financial performance. The maximum matching contribution is linked to profits. Or, more specifically, to earnings. When the Company's earnings goal is met - which has been the case every year through 1995 - the match is the full \$1.00 for each dollar you save (up to 4%).

Determining the earnings goal. Northern Trust's Board of Directors determines and communicates the annual TIP earnings goal at the beginning of each year. The maximum Company match is based on how much of the earnings goal is reached. When the earnings reach at least 100% of target, the match is 100%. For each 1% under the earnings goal, the match will be reduced 2%. If the Corporation's earnings dip below 75% of the goal, the minimum matching contribution of \$.50 is made for that year. The table below shows what happens when the earnings goal is between 99% and 75%.

	Percent Of Earnings Goal Achieved	Northern's Matching Contribution
Greater Than	100%	\$1.00
	99	.98
	98	.96
	97	.94
	96	.92
	95	.90
	94	.88
	93	.86
	92	.84
	91	.82
	90	.80
	89	.78
	88	.76
	87	.74
	86	.72
	85	.70
	84	.68
	83	.66
	82	.64
	81	.62
	80	.60
	79	.58
	78	.56
	77	.54
	76	.52
Less Than	75	.50

The table below illustrates how Northern's match can have a dramatic effect on your savings. Let's say you earn \$30,000 a year and save 4% of it (\$1,200) a year. If you were saving in a typical savings account, earning a 6% return on your money, the left hand column shows what your account would look like over time. What the right hand column shows is what your TIP account would look like if you were saving that same \$1,200 a year in TIP and earning the same 6% return. Counting the Company's matching contribution, you'd be getting better than a 100% return on your money. (Pretty impressive, isn't it?)

Typical Savings Account	TIP Account
----------------------------	----------------

5 years	\$ 6,765	\$ 13,528
10 years	\$15,817	\$ 31,633
15 years	\$27,931	\$ 55,861
20 years	\$44,143	\$ 88,283
25 years	\$65,837	\$131,671

Your entitlement to the Company's contributions. If you were in TIP before January 1, 1989, when the Company made Basic contributions to TIP participants' accounts, these Basic contributions are all yours.

You earn a right to the Company's matching contribution over time, through what's known as "vesting." Your vested interest 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.

Completed Years Of Service	Vested Percentage
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

Once you have completed six years of service, you become 100% vested in the Company's contributions to your TIP account. Any contributions the Company makes after that are yours as soon as they are made. The same is true of any investment earnings on Company contributions.

The only time service isn't used to determine vesting is if you become permanently disabled or die. If either happens, you will be considered fully vested in the value of all the Company's matching contributions, regardless of your service at the time.

If you leave Northern Trust for any other reason, 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 your TIP distribution. You have five years from the date of your return to do so. (See Other Information You Should Know, "Reemployment," page 26.)

Rollovers And ESOP Transfers

In addition to your contributions and Northern's contingent matching contributions, money can go into your TIP account from qualified rollovers and from any portion of the Employee Stock Ownership Plan (ESOP) account you transfer to TIP after meeting what's known as the "diversification" requirements.

Rollover deposits. If you participated in a previous employer's tax-qualified retirement plan, you may "roll over" (subject to a \$500 minimum) the taxable portion of benefits you have built up in the other plan to TIP. 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 a rollover IRA, you can still roll it over to TIP (as long as your account contains monies from the prior employer's plan only). Taxes on the money you roll over are deferred until the rollover is paid out to you.

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Rollover contributions are put into a special account for you, and are available for regular withdrawals, hardship withdrawals, and loans. Rollover deposits receive the same tax treatment at distribution as contributions made on a before-tax basis. Rollovers are accepted two times per month coinciding with Payroll dates. (See Other Information You Should Know, "Handling Your Requests," page 25, for when forms must be received by the Benefits Division.)

Diversification transfers from the ESOP. After you reach age 55 and have at least six years of service, you may transfer a portion of your ESOP account to one or more of TIP's investment funds (except the Northern Trust Stock Fund), or take the portion in cash. Your ESOP share account must have a dollar value of at least \$500 in order to make a transfer or take a cash payment.

Any funds you transfer under the diversification feature of the ESOP are available for loans and withdrawals, and will receive the same tax treatment at distribution as before-tax contributions. (See the ESOP section of the Sourcebook, "Distribution Options...And Their Tax Consequences," page 33.)

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 all of the funds in increments of 1%. You can invest your own contributions and Company contributions differently.

The Investment Funds

Each fund represents a different type of investment. Each 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.

- The Short-Term Fund. Emphasizes stability of principal through investments in high-quality, short-term securities such as CDs, Treasury bills, and Treasury notes.
- The Benchmark Bond Portfolio. Pursues the maximum total return consistent with reasonable risk by investing in a broader range of bonds and other fixed income securities. The Portfolio will have a dollar-weighted average maturity of between 5 to 15 years. The value of your investment will fluctuate with changes in interest rates and other market conditions.
- The Benchmark Balanced Portfolio. Pursues long-term capital appreciation and income through a mix of stocks, bonds, and money market securities. This mix is regularly monitored and adjusted.
- The Benchmark Equity Index Portfolio. Seeks to provide investment results that approximate the performance of the Standard & Poor's 500 Stock Index, which is comprised of a diversified group of large, well-established companies.
- The Benchmark Focused Growth Portfolio. Seeks long-term capital appreciation mainly through stock investments in companies with high growth potential. These companies must have been in operation for at least five years.
- Northern Trust Corporation Common Stock. This option represents investment in Northern Trust Corporation Common Stock. Only the Company's matching contributions can be directed to this investment option.

Note: You can direct both your contributions and the Company's contributions to all funds except Northern Trust Stock. Only the Company's contributions can be invested in Northern Trust Stock. However, investing in Northern Trust Stock may be restricted from time to time due to Securities and Exchange Commission (SEC) regulations.

There are two types of restrictions which can occur. The first restriction applies on a quarterly basis and is designed to protect the plan from "insider trading" transactions. (See "Special Deadlines at Quarter End," page 26, for more details.) The second restriction limits the amount of company stock a plan such as TIP can hold to 10% of total shares outstanding. This 10% limit is monitored regularly and participants will be notified if the plan gets close to that limit. The notification will advise you of specific steps that need to be implemented to insure compliance with the limit.

Adjusting Your Investment Strategy

Daily Valuations. The plan is "valued daily." Just as the name implies, the value of your individual TIP account is updated every business day. Whenever you call Northern-Express/SM/ to check on your account, you will hear information that reflects closing fund prices and account activity from the previous business day including market changes in your TIP funds, contribution rates, investment elections, and loan and withdrawal options. Daily valuation gives you the opportunity to access and manage your account as frequently as you wish.

Changing your allocations. You can change the way you invest your new contributions for any payroll period. The change will become effective on the first day of the pay period as long as you call Northern-Express/SM/ by stock market close the business day before payday. Keep in mind that changing future allocations has no effect on your existing account balances.

Transferring from one fund to another. You can transfer your investments from one fund to another on a daily basis. Transferring existing fund balances does not affect how your future contributions will be invested. A transfer generally becomes effective the same day you call Northern-Express/SM/. (See Other Information You Should Know, "Handling Your Requests," page 25 for more details on investment changes and transfers.)

Dividends And Interest

Dividends and interest earned on each fund are reinvested in that fund. Investment earnings (if any) are not taxed until you receive a distribution from

the plan.

How Your Account Is 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 accounts; and
- changes in market value, which can either increase or decrease the value of your account.

The following chart illustrates how a single contribution of \$1,000 of savings can grow at various rates of return.

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How Your Money Can Grow In TIP

\$1,000 of savings at various rates of return

Years of Saving <S>	5%	6%	7%	8%	9%	10%
5	\$1,276	\$1,338	\$1,403	\$1,469	\$1,539	\$1,611
10	1,628	1,791	1,967	2,159	2,367	2,593
15	2,079	2,396	2,759	3,172	3,642	4,172
20	2,653	3,207	3,869	4,661	5,604	6,727
25	3,386	4,292	5,427	6,848	8,623	10,834
30	4,322	5,743	7,612	10,062	13,267	17,449
35	5,516	7,686	10,676	14,785	20,414	28,102
40	7,040	10,285	14,974	21,724	31,409	45,259

</TABLE>

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Quarterly Account statements. You will get a TIP statement about four weeks after the end of each calendar quarter. Your statement will show all TIP activity to date, including your own contributions, Company contributions, any investment earnings or losses, and any withdrawals, loans, or investment transfers you have made.

A few words about your investment decisions. Your investment decisions are your own and should reflect your personal objectives. The Benefits Division will provide you with information on the funds but is not authorized to give you investment advice. You should consider all of the funds carefully 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 and to make investment elections that meet your own financial goals. The Trustees, investment managers, or the Company cannot guarantee against losses.

ACCESS TO YOUR SAVINGS: LOANS AND WITHDRAWALS

TIP is a long-term savings and investment plan. It's 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're 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 call and request a loan any day; disbursements are made twice a month, coinciding with payroll dates.

How much you can borrow. The minimum amount you may borrow is \$1,000. The most you may borrow is generally 50% of your vested account balance, to a limit of \$50,000.

Maximum Loan Amount.

- 50% of your vested account balance to a maximum of \$50,000

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 calling Northern-Express/SM/.

- The maximum amount available as a second loan is the lessor of:

- 50% (your vested account balance + your outstanding loan balance) - your outstanding loan balance, or
- \$50,000 less your highest outstanding loan balance during the last 12 months.

How loan money is 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
1. Rollover	Short Term Fund
2. ESOP Diversification	Benchmark Bond Portfolio
3. Company Matching* Contribution (vested portion)	Benchmark Balanced Portfolio Benchmark Equity Index
4. Acquired Company Prior Plan* (vested portion)	Portfolio Benchmark Focused Growth Portfolio
5. After-tax	Northern Trust Stock Fund
6. Basic contribution*	
7. Before-tax	

* Only these accounts contain the Northern Trust Stock Fund. Acquired Company Prior Plan accounts that include employee contributions may not be allowed to invest in the Northern Trust Stock Fund.

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Repaying your loan. You must repay your loan in equal installments. Repayments are made 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.

If you leave Northern 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 or add the amount of the loan to your rollover within 60 days of the distribution.

Interest on your loan. The interest rate on a loan is based on the rate for a commercial loan secured by a savings account. 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, you can call "Northern-Express/SM/" on any day. Your check will be mailed to your home address during the week after the pay day following your call.

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 request opportunities and three types of withdrawals:

- Regular Withdrawals
- Age 59-1/2 Withdrawals
- Hardship Withdrawals

The rules governing each are different, as described below. All money not already taxed (such as your pre-tax contributions, the Company's Matching 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, "Taxes Upon Distribution," page 26, for more details on the excise tax.)

Disbursements for Regular and Age 59-1/2 withdrawals are made twice a month coinciding with payroll dates. Disbursements for Hardship Withdrawals are made weekly.

Regular withdrawals. You can make unlimited 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
1. After-tax	Short Term Fund
2. Rollover	Benchmark Bond Portfolio
3. ESOP	Benchmark Balanced Portfolio
Diversification	Benchmark Equity Index Portfolio
4. Company Matching Contribution* (vested portion)	Benchmark Focused Growth Portfolio
5. Acquired Company Prior Plan* (vested portion)	Northern Trust Stock Fund

* Only these accounts contain the Northern Trust Stock Fund. Acquired Company Prior Plan accounts that include employee contributions may not be allowed to invest in the Northern Trust Stock Fund.

If you are less than 100% vested in TIP when you request a withdrawal, the amount available for withdrawal is reduced by any after-tax contributions that were matched by the Company and any Company matching contributions made in the 24 months before your withdrawal request.

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Age 59-1/2 withdrawals. If you are 59-1/2 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 will not apply. Here are the accounts you can access and the order in which age 59-1/2 withdrawals are made from your accounts.

Age 59-1/2 Withdrawal Disbursement Method

Account Order	Fund Depletion Order
1. After-tax	Short Term Fund
2. Rollover	Benchmark Bond Portfolio
3. ESOP	Benchmark Balanced Portfolio
Diversification	Benchmark Equity Index Portfolio
4. Company Matching Contribution* (vested portion)	Benchmark Focused Growth Portfolio
5. Acquired Company Prior Plan* (vested portion)	Northern Trust Stock Fund
6. Basic contribution*	
7. Before-tax	

* Only these accounts contain the Northern Trust Stock Fund. Acquired Company Prior Plan accounts that include employee contributions may not be allowed to invest in the Northern Trust Stock Fund.

Hardship withdrawals. If you're not yet age 59-1/2, the only time you can withdraw before-tax contributions is when you have a "financial hardship" as defined by the Internal Revenue Service. According to the IRS, you're 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. Eligible hardship expenses are:

1. the purchase of a primary single family 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. unreimbursed medical expenses for you, your spouse or dependent child(ren),
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 portions of your TIP account that may be available to you in the event of hardship withdrawal.

Hardship Withdrawal Disbursement Method

Account Order	Fund Depletion Order
1. After-tax	Short Term Fund
2. Rollover	Benchmark Bond Portfolio

3. ESOP Benchmark Balanced Portfolio
 Diversification Benchmark Equity Index
4. Company Matching Portfolio
 Contribution* Benchmark Focused Growth
 (vested portion) Portfolio
5. Acquired Company Northern Trust Stock Fund
 Prior Plan*
- (vested portion)
6. Before-tax (excluding
 earnings after 12/31/88)

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. Call Northern-Express/sm/ to request a Hardship Withdrawal form. You must complete the form and submit it to the TIP/ESOP Representative. (See Other Information Your Should Know, "Handling Your Requests," page 25.)

In order to obtain a withdrawal, you will be required to:

1. Prove that you do, indeed, have a financial hardship. (We'll accept as evidence items such as medical bills, tuition bills, funeral bills, or housing contracts.) And,
2. Prove that a TIP withdrawal is the only way you can meet your Financial Hardship need. You can choose one of two ways to satisfy this part of the approval process:

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- Under the "Safe Harbor" method you will be restricted from contributing to TIP for one year. This restriction replaces the requirement that you sign a statement indicating you have no other way to meet your financial hardship need.

In the year you are eligible to start contributing again, your before-tax contribution may be limited. Remember, since the Company Match is based on your contributions, you will not receive any match for the period you are restricted from contributing.

- Under the "Facts and Circumstances" method you can avoid restrictions on your contributions and foregoing the Company Match by signing a statement indicating that you have no other way to meet your financial hardship need.

How a withdrawal request is approved. The TIP/ESOP Representative will review all of the documents you submit. They will then determine whether or not your withdrawal request meets IRS criteria for approval. The Committee will not approve anything over the amount you need to meet your immediate financial obligation. Unsubstantiated hardship withdrawal requests will be turned down.

Withdrawals of after-tax money. 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 that is made up of the following:

- 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 his 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 his 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, his 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 what portion of his withdrawal comes from earnings and is taxable.

$$\begin{array}{r} \$500 = 20\% \\ \hline \$2,500 \end{array}$$

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

This employee would therefore pay taxes only on the \$200 portion of his withdrawal (calculated at his individual tax rate, plus any excise tax that may apply). The withdrawal would come out of his 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, "Taxes Upon Distribution," page 26.)

DISTRIBUTION OF YOUR TIP ACCOUNT

TIP is designed to provide you with a source of retirement income. That's 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 the Company before you retire. If you die while actively employed, the full value of your TIP account is payable to your beneficiary.

How Distributions Are Made

The distribution of your TIP account is generally made in one cash payment. If you have money invested in the Northern Trust Stock Fund, you may request that it be paid in shares of Northern Trust Corporation stock instead of cash. You can expect payment about four weeks after the end of the month in which you receive your last paycheck provided you have submitted your election form. If you are entitled to the Company match for that year, you will receive that portion of your distribution five to six weeks after December 31st.

When You Leave The Company

If your TIP balance is over \$3,500, you can leave your savings in the plan until the earlier of reaching age 65 or death. No loans or withdrawals are permitted. However, you can continue to make transfers among the different investment options.

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 partial annual distributions of your account must start no later than the April 1st that follows the calendar year in which you reach age 70-1/2.

OTHER INFORMATION YOU SHOULD KNOW

Handling Your Requests

The Northern-Express/SM/ telephone system provides convenient access to information about your balance in TIP, and allows you to make changes to your TIP account. Your participation in TIP starts with calling Northern-Express/SM/ to complete the Enrollment process. But it doesn't end there. Since TIP offers so many opportunities for making changes in your elections, it's likely that you'll call Northern-Express/SM/ more than once throughout your participation.

Accessing Northern-Express/SM/

The Northern-Express/SM/ telephone number is 1-800-291-PLAN(7526). For security reasons you access your account by using your Personal Identification Number (PIN). If you don't know your PIN, simply call Northern-Express/SM/ and request a new one.

Deadlines. The following schedule shows which activities are requested through

Northern-Express/SM/ and which require 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," page 26, which you should consider depending upon the timing of your requests.

Northern-Express/SM/	Deadlines
- Enrollment	Call before midnight on the business day before
- Change your contribution rate	payday to be effective the following payday.
- Change the way your future savings are invested	Call before 4:00 p.m.* EST the business day before payday to be effective that payday.
- Transfer investment fund balances	Calls before 4:00 p.m.* EST are effective that night based on the closing price on the day of the call. Calls on or after 4 p.m.* EST are processed the following night.
- Regular withdrawals	Call before midnight EST the business day before payday for a check to be mailed during the week after-payday.
- Loan requests	

Forms	Deadlines
- Financial hardship withdrawals	Paperwork approved by close of business each Tuesday for check in the mail by the end of the week.
- Beneficiary designations	Submit at the time of phone enrollment.
- Rollover requests	Close of business two days before payday to be deposited on payday.
- Payouts upon termination	Election form due by the end of the month of your official termination date for distribution at the end of the following month.

/*/Or Stock Market close if earlier.

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Special Deadlines at Quarter End

Due to Securities and Exchange Commission (SEC) concerns, Northern Trust has a policy which restricts employees from buying or selling Northern Trust Stock for a period immediately before and after the end of each calendar quarter. Therefore, if you request activity in your TIP account that would change your balance in the Northern Trust Stock Fund, the deadline is 10 business days prior to quarter end. Activity in this fund reopens the third business day after earnings are announced following the quarter end. You'll hear restriction reminders when you call Northern-Express/SM/.

Leaves of Absence

If you take an approved leave of absence (paid or unpaid), all of your absence period service will be considered for TIP vesting.

Reemployment

If your employment ends and you are later reemployed by Northern, upon your return, your past service will be counted for eligibility and vesting in the Company's matching contributions. How your absence period is counted depends on how long you were gone.

- Less than one year. If you leave Northern 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 when you left Northern, you can start participating in the plan as soon as you return.

Buy backs. If your break in service was less than five years, you may redeposit the TIP distribution you received when you left the Company. If you redeposit, or "buy back" the entire distribution, 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 value of the 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. For example, suppose you leave the Company when you are 80% vested and that the value of your Company matching account is \$15,000. That means that you take \$12,000 with you (as stock, cash or a combination) as your distribution, and forfeit \$3,000. When you return to the Company, you can get that \$3,000 back in your Company matching account by making one \$12,000 cash payment to TIP within five years after you return. 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.

Taxes Upon Distribution

When you become eligible for a TIP distribution, you have three choices for the taxable portion of your payout:

- request a Direct Rollover to an IRA or another employer's qualified plan, in which case you continue to defer paying taxes; or
- have the distribution made payable to you, in which case it is considered taxable income, and 20% for federal taxes will automatically be withheld;

Note: With this option you still have 60 days to roll over your lump sum distribution to an IRA or other qualified plan.

or,

- split your distribution to have some directly rolled over and some paid to you with taxes withheld.

Two things you should know:

- After-tax contributions are not subject to any taxes or penalties upon distribution. Therefore, they cannot be rolled over.
- If you have a loan outstanding at termination you may want to contact a TIP/ESOP 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," page 22.)

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Five-year forward averaging. If you have at least five years of TIP participation and are 59-1/2 years old or older, you may qualify under current tax law for a tax advantage called "five-year forward averaging." In general, five-year forward averaging can prevent payment of your account from forcing you into a higher tax bracket. You can take advantage of five-year forwarding averaging only once.

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. It's similar to five-year forward averaging, only your taxes are calculated over a 10-year period instead of a five-year period. You can take advantage of this tax treatment only once, and you cannot use both five- and 10-year forward averaging.

Capital gains treatment. Capital gains treatment, in which income is taxed at a special low rate, is limited to the portion of your payout 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 or under the five- or 10-year averaging rules.

Excise tax. Current tax law imposes a 10% penalty on the taxable portion of any distribution or withdrawal made before age 59-1/2. The taxable portion includes all earnings and all contributions (both yours and the Company's) except any after-tax dollars you had contributed to TIP.

The excise tax does not apply under any of the following circumstances:

- You retire under the Early Retirement provisions of the Northern Trust Company Pension Plan;
- you are 59-1/2 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 within 60 days of receiving the distribution;

- the withdrawal is used for tax deductible medical expenses (that is, 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.

Tax laws are complicated and subject to change. Individual tax treatment can vary greatly from employee to employee. You should consult a professional tax counselor or financial advisor before making a withdrawal or receiving a distribution.

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The Employee Stock Ownership Plan, or "ESOP" for short, does something none of our other benefit plans do. The ESOP allocates shares of Northern Trust Corporation stock among all eligible Northern people. That makes you more than a plan participant: it makes you an owner of the Company.

ELIGIBILITY AND PARTICIPATION

Virtually everyone employed by the Northern Trust Company is eligible to join the ESOP. That includes everyone in Northern Trust affiliates and subsidiaries who have adopted the ESOP, but excludes foreign nationals overseas. All we require for participation purposes is that you finish a year of service with Northern and that you're age 21.

When Participation Begins

You are automatically an ESOP participant on the first day of the calendar quarter (January 1, April 1, July 1 or October 1) after you meet the eligibility requirements. There are no enrollment forms to complete.

Naming your beneficiary. You will be asked to complete a beneficiary designation form. That tells us who your ESOP account should be paid to if you die before you retire or leave Northern Trust. You may designate anyone you choose as your ESOP beneficiary. However, if you are married, the IRS requires that your spouse be named your beneficiary. The only exception to this is if your spouse signs and files a notarized beneficiary waiver consent form with the Benefits Division.

HOW THE ESOP WORKS

An employee stock ownership plan invests its assets in the stock of a sponsoring employer. The Northern Trust ESOP was funded by a loan that was used to purchase 1.5 million shares (which later split in 1990 and 1992) of Northern Trust Corporation common stock for plan participants. These shares of stock are held in an ESOP trust fund. Everyone who participates in the ESOP has an account in that fund, and all stock credited to you stays in your account for as long as you work for the Company.

The Loan Agreement

Under the initial loan agreement, which is dated November 1988, the ESOP was scheduled to repay the loan (plus interest) to the trust fund over a 10-year period. To repay the loan, Northern makes 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 makes this payment, the trust fund releases a portion of the total shares and allocates it to participants' ESOP accounts.

Effective with the allocation for plan year 1996 and subject to concurrence by the ESOP trustee, our lenders, and review by the Internal Revenue Service, the original design of the ESOP will change in two ways.

First, the loan will be extended from the original 10 year period to 13 years. That means that for the years 1996, 1997, and 1998, the number of shares to be allocated annually will change from the originally planned 450,000 to 225,000. It also means that for the years 1999, 2000, and 2001 (when there originally would have been no allocation), that there will be 225,000 shares allocated each year.

Second, Northern plans to make an additional one-time contribution for a stock purchase for the plan year 2002. This purchase will enable the Plan to provide an additional stock allocation for eligible participants.

1990 and 1992 stock splits. A two-for-one stock split was approved by the shareholders, effective May 1, 1990. A three-for-two stock split was also approved by the shareholders effective December 9, 1992. As a result, the number of shares in the ESOP became 4,500,000, making the pre-1996 year's allocation about 450,000 shares.

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After The Loan Is Repaid

At the end of the loan agreement, the loan will be fully repaid and all stock in the trust fund will have been credited to participants' accounts. Individual ESOP accounts still exist after all of the stock has been allocated, and whatever stock has been credited to your account stays there for as long as you work for Northern. That means you still have the potential to benefit from future increases in Northern stock value, as well as continue to enjoy the privileges of being a shareholder. (See Your Rights As A Shareholder, page 31.)

Your Stock Is Tax-Free As Long As It Stays In Your Account

Under current tax laws, you are generally not required to pay federal (and in most cases, state and local) income tax on the value of your ESOP account for as long as it remains in the plan. (See Payment Of Your Account, page 32, for information on how your stock is taxed upon distribution.)

The ESOP At A Glance

- Ownership of Northern Trust stock. You get shares of stock and all the rights and privileges that go with being a shareholder.
- Your own ESOP account. Your shares of stock go into a special ESOP account set up in your name.
- Cash dividends. Dividends on your stock are paid to you in cash each year.
- Tax advantages. Your shares of stock accumulate tax-free for as long as they stay in your ESOP account.

Determining How Much Stock Is Credited To Your Account

While a total of approximately 225,000 shares of stock will be allocated annually, the number of shares credited to your account each year is determined by a formula. The formula takes into account how your pay relates to the pay of all other ESOP participants.

Your pay	Total number	Number of shares
-----	x of shares to be	= credited to your
Total pay	credited for	ESOP account
of ESOP	the year	

participants

Or, think of it this way: the value of the stock credited to your ESOP account each year is expected to work out to be about 2.5% of your pay. Of course, that's based on certain assumptions about share value and payroll growth over time. Depending on the actual share value and payroll growth, you may receive more or less than 2.5% of your pay.

An example. To show you how your allocation works, let's take an example that assumes your annual pay is \$25,000 and that the annual pay of all ESOP participants is \$250,000,000. Knowing that the total number of shares to be credited for the year is 225,000, here's how the number of your shares would be figured:

1. $\frac{\$25,000}{\$250,000,000} = .0001 \times 225,000 \text{ shares} = 22.50 \text{ shares}$
2. $22.50 \text{ shares} \times \$40.00 \text{ per share} = \900.00
3. $\$900.00 / \$25,000 = 3.6\% \text{ of your pay}$

About your pay. The ESOP uses your base annual salary plus shift differential. Severance pay, overtime, bonuses and any other type of compensation are not included. Also, keep in mind that the Internal Revenue Service places certain restrictions on the maximum salary used for highly-paid executives. If you are affected by this limitation, the Benefits Division will let you know.

When Stock Is Credited

Stock will be credited to participants' ESOP accounts each December 31. All you have to do to receive an ESOP contribution for the year is be an eligible participant on December 31 of that year. However, if you retire under the provisions of the Pension Plan, become permanently disabled, die, or take an authorized leave of absence during the year, your ESOP account will still be credited with stock, using the pay you had earned to that date.

How And When Your Account Is Valued

Your ESOP account is made up of shares of stock and cash. The value of your

account (which is updated monthly) will vary depending on the number of shares of stock in your account, the value of the stock, dividends paid on the stock, plus any interest earned on the dividends. Stock value is based on the daily closing price on the NASDAQ stock market. All ESOP participants are provided with an annual statement which shows the current value of their account based on the closing price on NASDAQ on the last business day of the year. You can also check the latest month end value of your account by calling Northern-Express/SM/.

An Example Of How Your ESOP Account Works

When the plan was first adopted back in 1989, the value of the stock credited to you each year was expected to be about 5% of your salary. In fact, for six consecutive years, the value of the ESOP allocation exceeded the 5% salary target. In 1996 the plan changed to extend by three years and reduce by one half, the annual share allocation.

In addition to the shares allocated, you received dividends on your ESOP shares. The dividends grow annually as your cumulative number of shares grows.

In order to view a complete picture, let's look at an example which shows what this benefit means to you over the years, assuming the following:

- You've been in the plan since its inception.
- Your annual salary at inception was \$25,000.
- Your salary increased 4% each year.
- Company Payroll growth ranged from 2-12% a year.

Example:

Historical Performance

Year	Salary	# of Shares Alloc.	% of Salary Value of ESOP Alloc.	Div. Paid Out	% of Salary Paid In Div.
1989	\$25,000	77.87	6.5%	\$ 9.31	.037
1990	26,000	72.06	5.5%	29.61	.114
1991	27,040	67.80	8.4%	60.92	.225
1992	28,122	66.12	9.8%	102.37	.364
1993	29,247	62.74	8.6%	150.27	.514
1994	30,417	64.56	7.5%	217.88	.716
1995	31,634	53.52	8.5%	237.80	.951
Proj.					
	Total:	464.67 shares		\$808.16 dividends	

At the end of 1995, you would have over 460 shares of Northern Trust stock in your ESOP account, and you would have earned over \$800 in dividend income! As an owner of Northern Trust stock, you have a shareholder's interest in contributing to the continued success of the Northern.

To continue the example, look at what the value of your ESOP account could be starting from the 1995 projected year end value and adding six more years of allocations based on different stock price growth scenarios.

Projected Future Performance

Based on projected 12/31/1995 value of \$18,586.80
(464.67 shares x projected \$40/share price)

**ESOP Account Value Scenarios
(including annual allocations)**

Year	3% Increase In Stock Value	6% Increase In Stock Value
1996	20,407	\$21,001
1997	22,305	23,625
1998	24,287	26,471
1999	26,356	29,559
2000	28,515	32,907
2001	30,765	36,538

Let's look at a second example which illustrates the number of shares you will

receive if you are a newly eligible participant assuming the following:

- Your first allocation is for the plan year 1996.
- Your salary at inception is \$25,000.
- Your salary is projected to increase 4% each year starting in 1997.
- Company Payroll Growth is projected at 5% a year.

Example:

Year	Salary	Projected Share Allocation
1996	\$25,000	23.31
1997	26,000	23.09
1998	27,040	22.82
1999	28,122	22.55
2000	29,247	22.39
2001	30,417	22.21
Total Projected Share Allocation		136.37

At the end of the ESOP loan in 2001, your projected allocation is 136 shares. The value of these shares to you as a percentage of your salary at any given point, will depend upon share price at the corresponding point in time. For new participants, keep in mind the vesting provisions of the plan which are described below.

VESTING

Your right to the shares of stock in your ESOP account grows over time, through what's known as "vesting." Vesting means you have a non-forfeitable right to a future distribution of your ESOP account. Naturally, this distribution is made in accordance with applicable federal tax regulations and the provisions of the ESOP.

Vesting Schedule

It takes two years of service with the Company to earn a right to a percentage of your account. After that, your vested percentage increases each year you work for Northern.

Years Of Service	Vested Percentage
Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 or more years	100%

Situations that provide full vesting. The only time service is not used in determining vesting is if you become permanently disabled or die. If either happens, you will be considered 100% vested in your ESOP account, regardless of your service at the time.

If You Leave The Company

You will receive the vested portion of your ESOP account when you leave the Company. The non-vested portion of your account is forfeited. Any shares of stock that are forfeited will be added to the total number of shares credited to ESOP participants' accounts at the end of the year.

YOUR RIGHTS AS A SHAREHOLDER

As an ESOP participant, 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 stock.

Dividends And Interest

Each year, the Board of Directors determines the amount (if any) of the dividend. This component of the Plan has historically resulted in approximately a 10% growth rate per year! Dividends are paid as cash into your ESOP cash account quarterly, and paid out once each year in November. (For example, the dividend paid in January 1996 will be included in your November 1996 dividend check.) You will receive your cash dividend on all shares of stock allocated to your account, regardless of your vested status.

Any dividends held in your account until the November payout earn interest. However, unlike the dividends themselves, which are paid out in cash each year, the interest on the dividends stays in your ESOP cash account and continues to earn more interest over time.

If you leave the Company during the year, you will still receive a dividend. This dividend will be based on the stock in your account at the end of the calendar month in which you leave. (If you leave in June, for example, your dividend will be paid on the shares in your ESOP account as of June 30.)

Dividends on unallocated shares. The dividends on shares of stock that have not been allocated to participants' ESOP accounts will be used to repay the loan.

Taxes on dividends. When you receive a cash dividend, you will be required to pay taxes on it in the year you receive it. You will receive a 1099 DIV by January 31 of the year following your dividend payment for use in filing your taxes.

A fact worth noting. As you no doubt know, there are no guarantees where the stock market is concerned. Northern Trust stock is no exception. Even though Northern Trust stock has generally done exceptionally well, how its stock has performed to date doesn't affect how it will do in the future. But Northern Trust stock has paid a dividend every year since 1896. That's a fact worth noting.

Voting Your Shares

Being a shareholder means you have right to instruct the Trustee how to vote the shares of stock in your ESOP account. When issues come before shareholders for a vote, you will receive a proxy statement and material explaining the matters under consideration. You will also receive a proxy card. The proxy card is what you use to indicate your vote. The way you vote is kept strictly confidential by the Trustee.

The Trustee must follow ESOP participants' written instructions in voting shares credited to participants' accounts. Although it has the power to vote otherwise, the Trustee typically votes shares not yet allocated, and shares in participants' accounts for which it receives no instructions, in the same proportion as the shares voted by participants.

Tender offers. ESOP participation also gives you the right to confidentially tell the Trustee, in writing, how to respond to a tender or exchange offer for Northern stock in your account. (In general, tender or exchange offers are stock transactions that relate to acquisitions.) Unless inconsistent with its obligation to prudently manage the fund, the Trustee will not tender shares in participants' accounts for which it receives no instructions, nor will it tender or exchange shares not yet allocated.

PAYMENT OF YOUR ACCOUNT

The ESOP was established to enable you to share in Northern's success over the long term. For that reason, you are not allowed to make withdrawals or borrow against your account while you are actively employed by Northern. Keep in mind that if you have a financial need, you may be eligible for a loan or a withdrawal from your Thrift-Incentive Plan account. (See the TIP section of your Sourcebook for more details.)

When Your Account Is Paid

You will receive the vested value of your ESOP account when your employment with Northern ends. The distribution is made in shares of Northern stock. Partial shares of stock will be paid in cash. If you have a sufficient cash balance, it, too, can be converted to shares of Northern stock.

The Company will make every effort to ensure that you receive your distribution approximately four weeks after the end of the month following your last day paid. (See Other Information You Should Know, "Requesting A Distribution," page 35.)

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Deferring Your Distribution

If the value of the stock in your ESOP account is more than \$3,500, you don't have to take your distribution right away. You may delay it to the earlier of age 65 or death, in which case your balance will stay in your ESOP account. You may request the entire balance at any time later on; however, payment will not be made until four weeks following the end of the month in which your request is made. When you do request a distribution, you will have the same payout options that were available to you at the time you terminated. (See "Distribution Options . . . And Their Tax Consequences," below.)

How Distributions Are Made

Here's how the distribution of your ESOP account takes place.

- The ESOP shares in your account will either be registered in your name and distributed to you or registered to your IRA and distributed to that institution. Similarly, you will receive a check representing accrued dividends and any remaining money in your cash account reflecting partial shares and interest earned on dividends.
- You have the option to request that remaining cash, including dividends, be used to purchase whole share(s) of Northern Trust stock at current market value. Naturally, you must have enough money in your ESOP cash account to do this.

Distribution Options...And Their Tax Consequences

You have choices available when your shares are distributed to you. It is important to understand the tax consequences of your decision for either a direct rollover or one of the choices under a direct distribution.

Direct Rollover. You can request a direct rollover of your account balance to an Individual Retirement Account (or another employer's qualified retirement plan).

If you elect a direct rollover no taxes will be withheld and you will defer taxation until you take a distribution from the IRA.

Direct Distribution. You can request to have the shares of stock registered in your name in which case you have several options. All direct distributions are subject to mandatory tax withholding, which will be taken from your available cash; stock will not be sold to satisfy withholding requirements.

- **60 Day Rollover.** You have 60 days following your distribution to roll over your account balance to an Individual Retirement Account. You can roll it over either by setting up the shares themselves in an IRA account or by selling the shares and rolling over the proceeds.
- **Hold on to the stock.** You can take your ESOP shares and hold on to them.

When you take your ESOP distribution, you will be responsible for paying the income taxes that apply in the year you receive payment. The good news is that you pay taxes only on the original purchase price of the stock when it went into the ESOP (known as the "cost basis" of your shares). You do not pay taxes on any increases in the value of the stock until you actually sell the stock.

- **Sell the stock.** You can sell your distribution shares immediately and keep the equivalent cash.

If you sell the shares and do not rollover the proceeds to an IRA or an other employer's qualified plan, you will be taxed on the current market value of the shares. If you take an ESOP distribution before you reach age 59-1/2, the 10% excise tax penalty for early distributions will apply. (See "Penalty On Early Distributions," page 34.)

Taking advantage of current tax laws. If you have at least five years of ESOP participation and are 59-1/2 years old or older, you may qualify under current tax law for a tax advantage called "five-year forward averaging." In general, five-year forward averaging can prevent payment of your account from forcing you into a higher tax bracket. You can take advantage of five-year forward averaging only once.

If you were at least age 50 before January 1, 1986 and you have at least five years of ESOP participation, you can use ten year forward averaging. It's similar to five-year forward averaging, only your taxes are calculated over a 10-year period instead of a five-year period. You can take advantage of this tax treatment only once, and you cannot use both five- and 10-year forward averaging.

Penalty On Early Distributions

In exchange for the tax advantages offered under employee stock ownership plans, the Internal Revenue Service imposes a 10% excise tax on any distribution you receive before you turn 59-1/2. The penalty tax is in addition to your regular income taxes.

Exceptions to the rule. You may be able to avoid the 10% penalty by rolling your account over to an IRA. The penalty tax also will not apply if:

- You retire under the Early Retirement provisions of the Northern Trust Company Pension Plan;
- 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 used for tax deductible medical expenses (that is, those expenses that are greater than 7.5% of your adjusted gross pay); or
- payment is made to an alternate payee, as mandated by a Qualified Domestic Relations Order.

Tax laws are complicated and subject to change. Individual tax treatment can vary greatly from employee to employee. You should consult a professional tax counselor or financial advisor before taking a distribution from the ESOP.

OTHER INFORMATION YOU SHOULD KNOW

Diversification Of Your Account

As you approach retirement age, you can diversify a portion of your ESOP share account into the Thrift-Incentive Plan's investment funds, or take the diversification-eligible shares in cash. This lets you reduce the risk of a loss in share value associated with stocks. To be eligible to diversify, you must meet three criteria:

- You must be 55 or older;
- have at least six years of service with the Company; and
- your ESOP share account must have a dollar value of at least \$500.

Diversification is offered in March of each year. If you are eligible to diversify, the Benefits Division will notify you. You should also be aware that diversifications taken in cash are taxed as ordinary income and that a 10% penalty tax may apply as discussed under "Penalty on Early Distributions," to the left. You can elect to roll over this cash payment to an IRA account. Otherwise, 20% tax withholding will apply.

Diversifications to TIP. You can diversify your ESOP shares into any of the TIP funds except the Northern Trust Stock Fund. You'll find a detailed description of these investment funds in the TIP section of this Sourcebook.

You have six years to complete the diversification. Once eligible, you have six years to complete your investment diversification. In each of the first five years, you may diversify up to 25% of the total number of shares credited to your ESOP account. In the sixth year, up to 50% of the total number of shares may be diversified. Keep in mind that the total number of shares you can diversify reflects shares in your ESOP account minus any shares you have already diversified. The diversification formula looks like this:

$$25\% \times (12/31 \text{ closing balance} + \text{prior diversification}) - \text{prior diversifications}$$

*50% in the sixth year

No redeposits. Once you diversify shares or receive cash from the ESOP, you will not be able to redeposit the distribution to the ESOP. You may, however, change the way your investment is divided among funds if you choose to diversify into TIP.

Requesting A Distribution

You must complete an ESOP Payout Form in order to receive a distribution. You will receive your distribution about four weeks after the end of the month following your last day paid provided you have submitted your election form.

Leaves Of Absence

If you take an approved leave of absence (paid or unpaid), all of your absence period will be considered for ESOP vesting.

Reemployment

If your employment ends and you are later reemployed by Northern, when you come back, your past service will be counted for ESOP eligibility and vesting. How your absence period is counted depends on how long you were gone.

- . Less than one year. If you leave Northern 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 the ESOP when you left Northern, you will automatically start participating again as soon as you return. If you left Northern before

January 1, 1989 (the effective date of the ESOP), but were a TIP participant when you left, you are eligible for the ESOP immediately upon your return to work at Northern.

Buy backs. If your break in service was less than five years, you may redeposit the ESOP distribution you received when you left. If you redeposit (or "buy back") the distribution, any allocations that were forfeited when you left will be restored to your ESOP 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 value of the distribution at the time you left. If you buy back your distribution, the amount restored to your ESOP account will equal the value of the Company contributions you forfeited when you left. For example, suppose you leave the Company when you are 80% vested and that the value of your ESOP account is \$15,000. That means you take \$12,000 with you (as stock, and cash) as your distribution, and forfeit \$3,000. When you return to the Company, you can get \$3,000 worth of shares at the current price back in your ESOP account by making one \$12,000 cash payment to the ESOP within five years after you return. It doesn't matter what the stock is worth when you return. What matters is the value of your ESOP account when you left.

Your \$12,000 will remain as cash invested in a short term investment fund. When you retire or subsequently terminate you will have the option of receiving the \$12,000 buy back in shares.

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The previous sections of the Sourcebook describe the most important features of the Pension Plan, ESOP and TIP. They've been written in everyday language here, but each plan is governed by a legal, very formal, document. We tell you this in case there is ever any difference between what a plan document says and the way we've described the plan here, because if that happens, it is the 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, and would have given it to you anyway, the Company is actually required by law to present it to you, in some cases in the words and format you'll find here.

Future Of The Plans

Northern Trust has every intention of continuing the Pension Plan, Thrift-Incentive Plan and Employee Stock Ownership Plan. But because conditions might change unexpectedly, the Company reserves the right to amend, modify, suspend, or even terminate any or all of the plans at any time. Termination of the plans is unlikely. But if it happens, you will automatically be considered fully vested in the benefits you had earned as of the termination date.

Plan Limitations

The Internal Revenue Service limits the amount you and the Company can contribute to all retirement-type plans sponsored by the Company. If the total combined benefit you receive from the ESOP, the Pension Plan and TIP exceeds this limit, benefits from the Pension Plan will be adjusted. When this applies, you may receive a payment from the Supplemental Pension Plan. Payments from this plan are taxed as ordinary income and do not receive any of the special tax treatment available for payments from the Qualified Pension Plan. In most cases, these limits apply only to highly-paid executives. If you are affected, the Benefits Division will notify you.

Tax Laws

Our plans are governed by the rulings of the Internal Revenue Service and current tax laws. If there are any changes in the current tax laws or in the IRS rulings, our plans will be amended to stay in compliance.

Insured Pension Benefits

Our Pension Plan benefits are protected by the Pension Benefit Guaranty Corporation (PBGC). The PBGC is a government agency that insures certain benefits provided by defined benefit plans (our Pension Plan, for example; TIP and ESOP are what's known as defined contribution plans and, as such, are not insured by the PBGC). The PBGC generally guarantees the payment of most vested age-65 retirement benefits, early retirement benefits, and certain disability and survivors' pensions just in case the plan terminates and does not have enough assets to pay for benefits earned by employees. However, the PBGC does not guarantee all kinds of benefits, and the amount of benefit protection is limited.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan had been in effect for less than five years, or

if benefits had been increased within five years of plan termination, the entire amount of the plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling, which is adjusted periodically, on the amount of monthly benefit that the PBGC guarantees.

You can get more information on PBGC insurance from the Benefits Division or from the PBGC itself. Write to: Pension Benefit Guaranty Corporation, Office of Communications, 1200 K Street, N.W., Washington, D.C. 20005-4026 or call them at (202) 326-4000.

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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 of a Qualified Domestic Relations Order, benefits may be payable to someone other than your designated beneficiary. (A Qualified Domestic Relations Order is a court order providing for child support, alimony or marital property rights to a spouse, former spouse, child or other dependent, according to a state domestic relations law.)

How Benefits Can Be Forfeited Or Delayed

The Pension Plan, TIP and ESOP are 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 each plan's description, but you can also forfeit or delay payment of your benefit if:

- . You (or your beneficiary) do not file an application for benefits;
- . you do not furnish information requested to complete or verify your application for benefits; or
- . your current address is not on file with the Benefits Division.

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 benefits.

Access to documents. In addition to the information in this Sourcebook, ERISA requires that you have access to other facts about your benefits. A summary of each plan's annual financial report is due to you annually. Also, the detailed report called a "5500," is available for your review. You may also examine plan documents (plan texts, for example) and other documents Northern files with the U.S. Department of Labor. These are available for you to examine without charge in the Benefits Division during normal working hours.

You can get a copy of any of these documents, at a reasonable charge, by making a written request to the TIP/ESOP or Pension Plan Representatives. Northern Trust will respond promptly. If you request any plan documents in writing and do not receive them within 30 days (unless the delay is beyond the Company's control), you have the right to file suit in a federal court. Northern Trust may be required to pay you up to \$100 for each day's delay.

Statements. Throughout your career with Northern Trust, you'll be kept up-to-date on your benefits through a series of personalized statements: TIP statements are prepared and distributed quarterly; ESOP once a year; and a comprehensive benefit statement that includes a snapshot of your Pension Plan benefits is also given out annually. Your annual statement shows what you've earned to date and what you can expect at retirement from all three plans.

If you don't automatically get this information from us in a particular year, here's what you have a right to know: whether you have a benefit under the Pension Plan at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop participating now. If you do not have a right to a benefit under the Pension Plan, you will be told how many more years you have to participate to get one. You can get this information once a year, free of charge, by requesting it in writing from the Pension Plan Representative.

Fiduciaries. You also have the right to expect that the people who are responsible for the operation of the plans act prudently and in the best interest of all participants. These people are called "fiduciaries" and it is the Company's policy that they actively safeguard your retirement benefits. If a fiduciary violates the requirements of ERISA, he or she may be removed.

Exercising Your Rights

There are a number of federal laws that protect your rights as a Plan

participant. Northern Trust cannot dismiss you or discriminate against you to prevent you from either getting your benefits or exercising any of your rights.

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There are steps you can take to enforce your rights under ERISA. For instance, if a fiduciary has misused funds or if you are discriminated against for asserting your rights, you may ask the Department of Labor for help or you may file suit in a federal court. We doubt that you will ever find it necessary to go to court or sue, but the right is yours nonetheless.

If Your Claim Is Denied

If you are denied benefits, or are dissatisfied with the benefits provided, you can request a review of your claim from the Benefits Division. The Benefits Division will explain the reasons for the denial.

If you still believe that you are entitled to benefits that were denied, you may file a written claim for benefits with the Employee Benefit Administrative Committee (The "Committee").

Within 90 days after receipt of your claim, the Benefits Division will provide you with written notice of the Committee's determination. If the claim is denied, the notice will explain:

- . The specific reasons for the denial;
- . Specific reference to pertinent plan provisions on which the denial 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
- . Appropriate information as to the steps to be taken if you wish to submit your claim for further review.

If you are dissatisfied with the determination of the Committee, a final written appeal may be made to the Committee requesting that the claim be reconsidered with any new information that is available. Your final appeal must be filed within 60 days of the date you receive the denial notice. A second decision will then be made by the Committee according to the provisions of the Plan, no later than the date of the Committee meeting which immediately follows the Committee's receipt of your request for review, unless the request for review is filed within 30 days preceding the date of such meeting. In such case, a decision will be made no later than the date of the second meeting following the Committee's receipt of your request for review.

You will be notified of the decision within a reasonable time after the Committee meeting in which your request for review is considered. The Committee's decision shall be in writing and include specific reasons for the decision, as well as specific references to the pertinent Plan provisions on which the decision is based.

If your application for benefits is denied or ignored, entirely or partially, you have the right to sue in state or federal court. The court will decide who should pay the court costs and legal fees. If you win, the court may order Northern to pay the costs or fees; if you lose, the court may order you to pay these costs and fees (for example, if it finds your claim frivolous).

Where to find more information. If you need additional information or have any questions about your plan benefits or your rights under the law, contact a TIP/ESOP Representative. If you have any questions about this statement or about your legal rights, you may contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor, in which case, you will need the plan facts on the following page.

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Plan Facts

Employer/Plan Sponsor
The Northern Trust Company

A complete list of participating employers may be obtained from the Plan Administrator.

Address
50 South LaSalle Street
Chicago, Illinois 60675

Telephone
(312) 630-6000

Employer Identification Number (EIN)
36-1561860

Plan Administrator
The Northern Trust Company
Employee Benefit Administrative Committee
50 South LaSalle Street
Chicago, Illinois 60675
(312) 630-6000

Plan Year
January 1 - December 31

Trustee
The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60675

Agent for Service of Legal Process
Any attorney in the Legal Department of The Northern Trust Company at the above address.

<TABLE>
<CAPTION>

Plan	Official Name	Type of Plan	Number	Plan Administrator	Funding Medium	Source of Contributions
<C> Pension Plan	<S> The Northern Trust Company Pension Plan	<C> Defined benefit pension	<C> 001	<C> Employee Benefits Administrative Committee	<C> Trust Agreement	<C> Funded entirely with Company contributions as actuarially determined
TIP	The Northern Trust Company Thrift-Incentive Plan	Defined contribution profit-sharing	002	Employee Benefits Administrative Committee	Trust Agreement	Funded with employee contributions and Company contributions
ESOP	Northern Trust Employee Stock Ownership Plan	Defined contribution stock bonus	003	Employee Benefits Administrative Committee	Trust Agreement	Funded entirely with Company contributions

</TABLE>

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<TABLE>
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Calendar of Events

	January	February	March	April	May	June
<S> 1	4th Quarter ESOP dividend paid into account	<C> 1 Annual ESOP statement distributed	<C> 17* Restriction on Northern Trust Stock Activity in TIP starts	<C> 1 1st Quarter ESOP dividend paid into account	<C>	<C> 17* Restriction on Northern Trust Stock Activity in TIP starts
1	Quarterly Enrollment Date		20 ESOP diversification elections due	1 Quarterly Enrollment Date		30* Annual Statement of Benefits distributed
19*	Restriction on Northern Trust Stock Activity in TIP ends			1 Age 70-1/2 initial distributions . TIP . ESOP . Pension		
30	4th Quarter TIP statement distributed			19* Restriction on Northern Trust Stock Activity in TIP ends 30 1st Quarter TIP statement		

	July	August	September	October	November	December
1	2nd Quarter ESOP dividend paid into account		17* Restriction on Northern Trust Stock Activity in TIP starts	1 3rd Quarter ESOP dividend paid into account	30 ESOP dividends paid out in cash	17* Restriction on Northern Trust Stock Activity in TIP starts
1	Quarterly Enrollment Date			1 Quarterly Enrollment Date		31 TIP Company Match awarded
19*	Restriction on Northern Trust Stock Activity in TIP ends			19* Restriction on Northern Trust Stock Activity in TIP ends		31 ESOP stock allocation
30	2nd Quarter TIP statement distributed			30 3rd Quarter TIP statement distributed		31 Age 70-1/2 ongoing distributions . TIP . ESOP . Pension

</TABLE>

*Dates are approximate and may change by year.+
(C) The Northern Trust Company
January, 1996

February 8, 1996

Northern Trust Corporation
50 South LaSalle Street
Chicago, Illinois 60675

RE: NORTHERN TRUST CORPORATION: REGISTRATION STATEMENT ON FORM S-8
REGARDING REGISTRATION OF ADDITIONAL PARTICIPATIONS IN FUND D
UNDER THE NORTHERN TRUST COMPANY THRIFT-INCENTIVE PLAN

Gentlemen:

In connection with the registration pursuant to the provisions of the Securities Act of 1933, as amended, of an additional \$10,000,000 of participations in Fund D under The Northern Trust Company Thrift-Incentive Plan (the "Plan") consisting of shares of Common Stock of Northern Trust Corporation (the "Corporation"), we are of the following opinion:

1. Any and all shares of the Corporation which shall be distributed to participants in the Plan will constitute legally issued, fully paid and non-assessable shares of the Corporation.
2. The Plan and The Northern Trust Company Thrift-Incentive Plan Trust comply with all applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

We hereby consent to all references to our firm in the above-captioned Registration Statement and to the use of this opinion as an exhibit to the Registration Statement.

ROSSITER, RITCHIE & PORTER

By: /s/ J. Timothy Ritchie

J. Timothy Ritchie

EXHIBIT 13

TO THE STOCKHOLDERS AND BOARD OF DIRECTORS,
NORTHERN TRUST CORPORATION

We have audited the accompanying consolidated balance sheet of Northern Trust Corporation (a Delaware Corporation) and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Trust Corporation and subsidiaries as of December 31, 1994 and 1993, and the results of their operations and their cash flows for the three years in the period ended December 31, 1994 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Chicago, Illinois
January 17, 1995

NORTHERN TRUST CORPORATION SUBSIDIARIES

<TABLE>

<CAPTION>

	Percent Owned	State of Incorporation
	-----	-----
<S>	<C>	<C>
The Northern Trust Company	100%	Illinois
NorLease, Inc.	100%	Delaware
The Northern Trust International Banking Corp.	100%	Edge Act
MFC, Inc.	100%	Delaware
Nortrust Nominees, Ltd.	100%	United Kingdom
The Northern Trust Company U.K. Pension Plan, Limited	100%	United Kingdom
NTB Merchant Services, Inc.	100%	Illinois
The Northern Trust Company, Canada	100%	Canada
Norsub Corporation	100%	Delaware
Northern Trust Bank/O'Hare N. A.	100%	National Bank
Northern Trust Bank/DuPage	100%	Illinois
Northern Trust of Florida Corporation	100%	Florida
Northern Trust Bank of Florida N. A. Subs of NTB/Florida	100%	National Bank
Realnor Properties, Inc.	100%	Florida
Realnor Special Properties, Inc.	100%	Florida
Realnor 177, Inc.	100%	Florida
Realnor Hallendale, Inc.	100%	Florida
Northern Trust Bank of Vero Beach	100%	Florida
Northern Trust Cayman International, Inc.	100%	Cayman Islands
Nortrust Realty Management, Inc.	100%	Illinois
Nortrust of Arizona Holding Corporation	100%	Arizona
Northern Trust Bank of Arizona N. A.	100%	National Bank
Northern Trust Securities, Inc.	100%	Delaware
Northern Investment Management Co.	100%	Delaware
Northern Investment Corporation	100%	Delaware

</TABLE>

NORTHERN TRUST CORPORATION SUBSIDIARIES
(CONTINUED)

<TABLE>
<CAPTION>

	Percent Owned	State of Incorporation
<S>	<C>	<C>
The Northern Trust Company	100%	Illinois
Transatlantic Trust Corporation	25%	New Brunswick, Canada
First Lake Forest Corporation	100%	Delaware
Northern Trust Bank/Lake Forest N. A.	100%	National Bank
Northern Trust Services, Inc.	100%	Delaware
Northern Futures Corporation	100%	Delaware
The Northern Trust Company of New York	100%	New York
Northern Securities Services, Canada, Ltd.	100%	Ontario, Canada
Northern Trust of California Corporation	100%	Delaware
Northern Trust Bank of California N.A.	100%	National Bank
Berry, Hartell, Evers & Osborne, Inc.	100%	Delaware
Northern Trust Bank of Texas N. A.	76%	National Bank
Fiduciary Services, Inc.	100%	Texas
Tanglewood Bancshares, Inc.*	100%	

*Owns 24% of Northern Trust Bank of Texas N.A.

CONSENTS OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Form S-8 of our report dated January 17, 1995, incorporated by reference in Northern Trust Corporation's Annual Report on Form 10-K for the year ended December 31, 1994 and to all references to our Firm included in this registration statement.

/s/ ARTHUR ANDERSEN LLP

Chicago, Illinois
February 8, 1996

As independent public accountants, Hill, Taylor & Co. hereby consent to the incorporation by reference in this Form S-8 of our report dated April 21, 1995, included in the Northern Trust Company's Thrift-Incentive Plan Annual Report on Form 11-K for the year ended December 31, 1994 and to all references to our Firm included in this registration statement.

/s/ HILL, TAYLOR & CO.

Chicago, Illinois
February 8, 1996

CONSENT OF ATTORNEYS

The consent of Rossiter, Ritchie & Porter to the filing of their opinion as an exhibit to this Registration Statement is contained in their opinion filed as Exhibit 5 hereto.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned officers and directors of Northern Trust Corporation hereby severally constitute and appoint William A. Osborn and Peter L. Rossiter, and each of them singly, our true and lawful attorneys and agents with full power to them and each of them singly, to sign for us in our names in the capacities indicated below a Registration Statement on Form S-8 relating to the sale of interests in The Northern Trust Company Thrift-Incentive Plan and shares of Common Stock of Northern Trust Corporation any and all amendments (including post-effective amendments) to such a Registration Statement and to file any of the foregoing, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby granting to such attorneys and agents, and each of them, full power of substitution and revocation in the premises, and generally to do all such things in our name and behalf in our capacities as officers and directors to enable Northern Trust Corporation to comply with the provisions of the Securities Act of 1933, as amended and all regulations of the Securities and Exchange Commission thereunder, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any one of them, to said Registration Statement, and any and all amendments thereto, and all that said attorneys and agents, or any of them, may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, the undersigned have hereunto executed this Power of Attorney this 17th day of October, 1995.

/s/ William A. Osborn

William A. Osborn
Chairman of the Board,
Chief Executive Officer and Director

/s/ Barry G. Hastings

Barry G. Hastings
President, Chief Operating
Officer and Director

/s/ Perry R. Pero

My Commission Expires: 7-25-99

"OFFICIAL SEAL"

VICTORIA ANTONI

Notary Public, State of Illinois
My Commission Expires July 25, 1999

CERTIFIED COPY
OF
RESOLUTION
OF
NORTHERN TRUST CORPORATION
BOARD OF DIRECTORS
OCTOBER 17, 1995

RESOLVED, that the Chairman of the Board, the President, any Senior Executive Vice President, the Treasurer and the Assistant Treasurer of this Corporation be, and each of them hereby is, authorized, in the name and on behalf of the Corporation, to execute and file with the Securities and Exchange Commission a Registration Statement on Form S-8 under the Securities Act of 1933 relating to the sale pursuant to The Northern Trust Company Thrift-Incentive Plan of shares of Common Stock of Northern Trust Corporation and the Plan interests related thereto, such shares not to exceed \$10,000,000 in aggregate market price as of the date used to determine the filing fee for such Registration Statement, and any amendments (including post-effective amendments) to such Registration Statement, with all exhibits and other documents in connection therewith;

FURTHER RESOLVED, that each such officer be, and he hereby is authorized and directed to take any and all actions and to do any and all things that may be necessary in connection with the execution and filing of such Registration Statement, and any amendments thereto (including post-effective amendments), together with any accompanying exhibits and documents, and which such officer deems to be in the best interests of the Corporation; and

FURTHER RESOLVED, that William A. Osborn and Peter L. Rossiter, and each of them, be and they are hereby authorized and empowered, as attorneys-in-fact and agents, to execute such Registration Statement, and any amendments thereto (including post-effective amendments), together with any accompanying exhibits and documents, for and on behalf of any of the above officers of the Corporation

signing such Registration Statement, and any amendments thereto (including post-effective amendments), together with any accompanying exhibits and documents, on behalf of the Corporation.

I, Victoria Antoni, do hereby certify that I am Assistant Secretary of Northern Trust Corporation, a Delaware corporation; that the above is a true and complete copy of the Resolution duly adopted at a meeting of the Board of Directors held on October 17, 1995, at which a quorum for the transaction of business was present and acted throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Northern Trust Corporation this 17th day of October, 1995.

/s/ Victoria Antoni

Victoria Antoni
Assistant Secretary