

State Street Trust Company Canada's ("SSTCC") Pillar 3 Remuneration Disclosure

a) *Remuneration oversight*

The Human Resources Committee ("**HRC**") of State Street Corporation ("**SSC**"), which replaced the Executive Compensation Committee ("**ECC**") effective as of 20 February 2020, has ultimate oversight of the compensation system at State Street¹ and met nine times in 2020. The HRC has oversight of all compensation plans, policies and programs in which senior executives participate within State Street's operations globally, including SSTCC.

The HRC reviews and approves the SSC CEO's compensation in conjunction with other independent directors of the SSC Board of Directors (the "**SSC Board**"). The SSC CEO and the Chair of the HRC annually review incentive compensation allocations for all employees who have been designated as officers of State Street for purposes of Section 16 of the US Securities Exchange Act of 1934, as amended ("**SSC Senior Management**").

The HRC approves the funding of the corporate incentive compensation ("**IC**") pool and allocates a portion of the corporate IC pool to SSC Senior Management awards. The CEO allocates the remaining corporate IC pool to business units and corporate functions (hereinafter collectively referred to as "business units"). Allocations are based upon a variety of factors, which may include financial and risk performance as well as other key goals.

HRC members are senior professionals with strong financial/business knowledge, who are independent members of the SSC Board, in accordance with the listing standards of the New York Stock Exchange. They are appointed by the SSC Board on the recommendation of the Nominating and Corporate Governance Committee of the SSC Board. As of 31 December 2020, there were five members of the HRC.

The HRC interacts closely with the Risk Committee (the "**RC**") and Examining and Audit Committee. SSC's independent Lead Director is expected to attend all Committee meetings, providing governance continuity from both a compensation-risk perspective and also from a broader risk management perspective. The HRC also annually meets with SSC's Chief Human Resources Officer, Chief Risk Officer and Chief Compliance Officer to evaluate the incentive compensation plans for all State Street employees relative to risk management principles. In addition, other directors who are not members of the HRC may attend the HRC meetings.

The HRC reports or causes management to report periodically to the RC any activities undertaken by the HRC involving the oversight of any State Street risks and related policies that support the RC's overall oversight of State Street's global risk management framework, including processes and systems to

¹ As used herein, "State Street" means State Street Corporation, its affiliates, and subsidiaries.

integrate risk management and associated controls with management goals and State Street's compensation structure for its global operations.

The HRC has sole authority to retain and terminate any compensation consultants and other advisers used by the HRC to assist in the evaluation of compensation for SSC's CEO and other SSC Senior Management, and approves these consultants' and advisers' fees and other retention terms.

In this context, the HRC has engaged Meridian Compensation Partners, an executive compensation consulting firm, to provide compensation consulting as part of its review of executive compensation. In retaining its advisors, the HRC conducts an annual analysis of their independence under the New York Stock Exchange listing rules.

The HRC operates under an SSC Board-approved charter, which is publicly available on State Street's Investor Relations website. Under this charter, the HRC approves and oversees all the compensation plans, policies, and programs of SSC in which members of SSC Senior Management participate and incentive, retirement, welfare and equity plans in which certain other employees of State Street participate. Its oversight includes ensuring the alignment of State Street's incentive compensation arrangements with State Street's safety and soundness, including the integration of risk management objectives and related policies, arrangements and control processes, consistent with applicable related regulatory rules and guidance.

SSTCC's Board of Directors annually reviews and ratifies the incentive compensation plans applicable to SSTCC and approves IC payments for SSTCC's employees and management.

b) *Design and structure*

The policies and practices as set out below apply on a global basis to all employees of State Street, including SSTCC. Members of SSTCC senior management are identified as the key executives with the greatest authority over the strategic direction and management of SSTCC.

SSTCC Material Risk Takers are identified by applying the guidance for Material Risk Takers ("MRTs") pursuant to U.S. interagency guidance on sound incentive compensation principles as noted below and then identifying which of those employees are employed by SSTCC. The guidance for MRTs is as follows:

- senior executives;
- other individual employees able to take or influence material risks; and
- groups of similarly compensated individuals who, in aggregate, can take or influence material risks.

State Street's overall aim with respect to compensation is to attract and retain high-performing employees and to provide competitive incentive opportunities, encouraging employees to learn and grow in their careers.

The key remuneration principles that align State Street's remuneration system with the business strategy are outlined below:

- We emphasize total rewards, which means we focus on the total value of all components of our pay package, rather than on the value of each one individually.
- We target the aggregate annual value of our total rewards to be competitive with our business peers. We also benchmark pay for roles at State Street to relevant peer groups, by business and geographic market.
- We unequivocally support equal pay for work of equal value. We hold our executive leaders accountable for promoting a diverse workforce. Further, we employ rigorous processes to ensure that our compensation practices are fair and balanced. Managers receive annual compensation decision-making training and utilize a structured framework designed to guide them in making individual pay decisions.
- Funding for our remuneration program is subject to affordability and is designed to be flexible based on corporate performance. We continually monitor current and forecasted future performance and adapt our remuneration program to help ensure that State Street can meet its financial commitments.
- We differentiate pay based on performance. Even in years when funding for our remuneration program is constrained, we differentiate pay by individual in order to reward our highest performers.
- We align employees' interests with shareholders' interests by deferring a portion of incentive compensation at increasing percentages for employees with higher incentive compensation awards and delivering a portion of deferred incentive compensation in equity-based vehicles with a higher proportion in equity for senior executives.
- Our compensation plans are designed to comply with applicable regulations and related guidance, including aligning incentive compensation with appropriate risk management principles. We provide incentives that are designed not to encourage unnecessary or excessive risk-taking.

Committees of the SSC Board with oversight of an area managed by each control function assess the performance of, and individual remuneration recommendations for, the heads of the relevant control function, and review the compensation for the entire control function. Results of the Board-level committee assessments are reported to the HRC as an input into final compensation determinations by that Committee. This process provides the relevant committee with additional perspective on the performance of the relevant control function and whether that function is being allocated appropriate resources and compensation. Control functions have reporting lines which are independent from the business units they oversee and the global management for control functions is responsible for determining remuneration to control function staff, within overall State Street guidelines as set out above. Funding for these employees is based on overall corporate results and not by reference to the business units which individual control function employees oversee in order to avoid potential conflicts of interest.

Pay and performance

State Street utilizes a compensation policy that is structured so as to achieve an appropriate role-based balance between fixed and variable components, including a fully flexible, discretionary corporate IC program.

Base Salary

Salary reflects individual skills and abilities relative to role requirements as demonstrated by performance. Depending on corporate performance and market trends, base salary increases may or may not occur annually and may be limited to certain job bands, business segments and/or countries.

Variable Remuneration

State Street operates a fully-flexible, discretionary incentive compensation policy (i.e., the amount of individual variable incentive pay may be adjusted to zero for any given year), referred to as the corporate IC program. The discretionary bonus policy is structured so as to achieve a balance between fixed and variable components.

The HRC completes a comprehensive review of State Street's performance and determines the annual corporate IC pool based on the following:

- Financial performance;
- Business performance; and
- Risk management performance as measured by a Risk Scorecard that is evaluated by the RC.

The corporate IC pool is established at the beginning of the year (during Q1) as approved by the HRC and accrued on a straight-line basis (i.e., in equal periodic amounts) throughout the year. The CEO and CFO review the IC Program pool accrual on a quarterly basis and may adjust the accrual rate based on company performance. At year-end, the HRC may apply its discretion (positive or negative) based on its assessment of full-year company performance (financial, business performance and risk management), market trends and other factors.

The SSC CEO allocates the corporate IC pool (excluding the portion allocated by the HRC for SSC Senior Management) to each business unit based on similar factors described above but measured at the level of the business unit.

Sub-pools are allocated to senior executives in their respective organizations who make individual IC award recommendations based principally on performance, as measured by various performance assessments.

Individual incentive awards under the corporate IC program are completely discretionary. In addition to the ex-ante adjustments described below, in making individual incentive awards, State Street permits the use of discretionary adjustments to awards for both financial and non-financial criteria, including (but not limited to) compliance and risk performance factors, such as non-compliance with internal policies and procedures or significant audit findings.

A subset of SSTCC MRTs earn variable remuneration under the Sector Solutions structured incentive plan. All structured incentive plans ("SIPs"), including the Sector Solutions SIP, aim to deliver variable

compensation based in part on revenues generated, but inclusive of risk mitigating design elements. For instance, SIPs take into account non-financial qualitative performance indicators and awards are in part deferred and subject to forfeiture. Further, SIPs participants' fixed compensation is sufficiently high to mitigate against potential incentives for excessive risk taking. Variable compensation is allocated on an individual basis by way of a review of both quantitative and qualitative factors. An employee's eligibility to participate in a SIP, and all amounts paid under the SIPs, are subject to management approval.

Performance Assessment

State Street's Performance Management process involves a collaborative planning process, ongoing assessments, enabling flexibility to account for evolving business priorities, more opportunities for professional challenge and discussions on risk excellence, and better performance differentiation across our workforce.

Performance Management at State Street utilizes a five-element approach:

1. Expectation Setting: The first stage takes place at the beginning of the year as a discussion about Performance Priorities. Performance Priorities are shorter term in nature, unique to the employee and reflect stretch or developmental objectives; they also could include the tasks the employee is expected to accomplish on a day-to-day basis and remain consistent; or they could be a combination of both. Performance Priorities help ensure that an employee's time is spent where it makes the biggest impact on the business and can be updated throughout the year. They are set in partnership between the manager and employee.
2. Check-Ins: Stage two focuses on the facilitation of regular review and feedback between the employee and manager throughout the year. Ongoing performance discussions about performance priorities take place as monthly check-ins throughout the year. Check-ins are coaching conversations between the manager and employee about progress towards performance priorities and are not administered in MyWorkday. Employees have a regular opportunity to receive transparent feedback about performance, respond to feedback, and engage in career development and internal mobility discussions.
3. Snapshots: The third stage is the manager's evaluation of employee performance twice per year using performance assessments called Snapshots. Snapshots enable managers to evaluate employee performance from the following perspectives: Performance Priorities; Demonstrated Behaviors; Risk Excellence; and Leadership Qualities. Snapshot results are made available to employees.
4. Calibration: The fourth stage is a calibration process to ensure a holistic review of relative performance outcomes. Snapshot outcomes are used to inform a recommended Performance Category. This category is reviewed and adjusted for all SVPs and Managing Directors within a business unit or corporate function.
5. Year-End Summary/ Recap: The final stage is the Year-End Summary/ Recap conversation between manager and employee. These discussions typically take place at the last Check-in of the year and recap performance feedback the manager provided the employee throughout the year. During this year-end conversation, managers summarize performance in MyWorkday by

assigning a Performance Category to the employee designed to recap performance. Performance categories are set on a six-point scale (Frequently Exceeded, Sometimes Exceeded, Achieved, Partially Achieved, Underperformed, and New Hire/NA).

Vesting and Recourse Mechanisms

Deferred awards generally vest on a periodic (e.g., quarterly) pro-rata basis over four years following the award date and are subject to applicable recovery terms, which may include malus forfeiture, clawback and other conditions. Deferral rates and timelines as well as post-vest retention periods on equity may also be governed by local regulatory requirements.

Variable remuneration awarded to all employees is subject to risk-based adjustments both before and after the compensation is awarded (ex ante and ex post adjustments, respectively). Certain additional ex ante and ex post adjustment mechanisms are also in place for MRTs.

Ex ante adjustments to incentive compensation represent downward adjustments made to the amount that may otherwise be awarded for the current performance year. Ex ante adjustments are guided by a corporate risk scorecard, prepared by the Chief Risk Officer and confirmed by the RC, assessing firm-wide risk in several categories. They are based upon a determination that the corporation, business or MRT contributed to a poor risk environment or actual or potential risk outcome during a compensation year. In addition, poor risk performance, including significant or repeated violations of policies administered by State Street's Corporate Compliance group, may result in ex ante adjustments to any employee's incentive compensation as part of a progressive discipline structure to hold individual employees accountable for risk performance.

Ex post adjustments reduce or cancel the amount remaining to be paid under the relevant award if the HRC or the State Street remuneration body that is responsible for the oversight of remuneration of such MRT, as applicable, determines that the actions of the MRT exposed State Street to inappropriate risk and that exposure has resulted or could reasonably be expected to result in a material loss or losses that are or would be substantial in relation to the revenue, capital and overall risk tolerance of State Street. In addition, a general forfeiture provision applies to all deferred compensation-eligible employees and subjects the entire portion of the outstanding deferred compensation awards to forfeiture where employment is terminated for gross misconduct.

c) Forms of variable compensation

State Street awards variable remuneration in the form of cash, deferred cash instruments and deferred equity.

d) Quantitative disclosures (in Canadian Dollars)

The 2019 and 2020 remuneration awarded for SSTCC's senior management group and MRTs and the outstanding deferred stock awards are provided in the tables below. No ex post (malus) adjustments were made in 2019 or 2020.

| Remuneration - fixed and variable amounts | December 31, 2020 | | |
|---|--------------------------------|-----------------------------------|--------------|
| | Senior management ¹ | Material risk takers ² | Total |
| Number of employees | 7 | 5 | 12 |
| Fixed remuneration | | | |
| Cash based | \$ 1,287,307 | \$ 1,068,272 | \$ 2,355,579 |
| Variable remuneration³ | | | |
| Cash based | 392,520 | 300,212 | 692,732 |
| Deferred value award | 298,256 | 48,125 | 346,381 |
| Deferred equity award | 298,256 | 48,125 | 346,381 |
| Total variable remuneration | \$ 989,031 | \$ 396,462 | \$ 1,385,494 |

| Deferred remuneration | 2020 | | |
|--|--------------------------------|-----------------------------------|--------------|
| | Senior management ¹ | Material risk takers ² | Total |
| Outstanding awards as of December 31, 2020 ⁴ | \$ 1,002,587 | \$ 431,854 | \$ 1,434,442 |
| Awards vested/ exercised during the 2020 financial year ^{5,6} | \$ 603,531 | \$ 288,486 | \$ 892,017 |

Notes:

¹ In addition to the five (5) material risk takers shown in this table, four (4) SSTCC senior management are also material risk takers.

² This data excludes senior management material risk takers. One (1) material risk takers left the company on 12/31/2020.

³ Variable remuneration displayed is for 2020 performance. Variable remuneration for 2020 performance is generally awarded in early 2021.

⁴ Outstanding awards include deferred equity. Closing price of our common stock on December 31, 2020 (last trading day in 2020) was \$72.78. Market values for outstanding shares and options are based on that price. FX rate as of December 31, 2020. Per footnote 3, awards for 2020 performance are generally granted in 2021, so are not included in outstanding awards as of December 31, 2020.

⁵ Awards vested/ exercised during the 2020 year are based on fair market value and FX rate at the time of vest/ exercise (varies).

⁶ There were no malus-based forfeiture adjustments for 2020.

| Remuneration - fixed and variable amounts | December 31, 2019 | | |
|---|--------------------------------|-----------------------------------|--------------|
| | Senior management ¹ | Material risk takers ² | Total |
| Number of employees | 7 | 7 | 14 |
| Fixed remuneration | | | |
| Cash based | \$ 1,333,949 | \$ 1,153,045 | \$ 2,486,994 |
| Variable remuneration³ | | | |
| Cash based | 442,295 | 778,699 | 1,220,994 |
| Deferred value award | 379,090 | 40,650 | 419,740 |
| Deferred equity award | 379,090 | 133,596 | 512,686 |
| Total variable remuneration | \$ 1,200,475 | \$ 952,945 | \$ 2,153,420 |

| Deferred remuneration | 2019 | | |
|--|--------------------------------|-----------------------------------|--------------|
| | Senior management ¹ | Material risk takers ² | Total |
| Outstanding awards as of December 31, 2019 ⁴ | \$ 1,265,804 | \$ 725,747 | \$ 1,991,551 |
| Awards vested/ exercised during the 2019 financial year ^{5,6} | \$ 717,764 | \$ 384,465 | \$ 1,102,230 |

Notes:

¹ In addition to the seven (7) material risk takers shown in this table, four (4) SSTCC senior management are also material risk takers.

² This data excludes senior management material risk takers. Two (2) material risk takers left the Company in 2019.

³ Variable remuneration displayed is for 2019 performance. Variable remuneration for 2019 performance is generally awarded in early 2020.

⁴ Outstanding awards include deferred equity. Closing price of our common stock on December 31, 2019 (last trading day in 2019) was \$79.10. Market values for outstanding shares and options are based on that price. FX rate as of December 31, 2019. Per footnote 3, awards for 2019 performance are generally granted in 2020, so are not included in outstanding awards as of December 31, 2019.

⁵ Awards vested/ exercised during the 2019 year are based on fair market value and FX rate at the time of vest/ exercise (varies).

⁶ There were no malus-based forfeiture adjustments for 2019.