



STATE STREET CORPORATION GOVERNANCE STANDARDS RELATIVE TO THE INVESTOR STEWARDSHIP GROUP'S (ISG) CORPORATE GOVERNANCE FRAMEWORK FOR U.S. LISTED COMPANIES

ISG Principle	State Street's Governance Standards
Principle 1 Boards are accountable to shareholders	<ul style="list-style-type: none">• All directors stand for shareholder election annually. Majority voting standard in uncontested director elections, and directors not receiving majority support must tender their resignation for consideration by the Board• State Street has adopted proxy access for shareholders• Board annually reviews and approves Corporate Governance Guidelines to assist in the exercise of duties and responsibilities. These Guidelines, along with Board committee charters, standards of conduct and other governance information, are posted on the State Street website
Principle 2 Shareholders should be entitled to voting rights in proportion to their economic interest	<ul style="list-style-type: none">• One class of common stock, with each share carrying equal voting rights (a "one-share, one-vote" standard)
Principle 3 Boards should be responsive to shareholders and be proactive in order to understand their perspectives	<ul style="list-style-type: none">• Process in place for shareholders and interested parties to communicate with Lead Director• Proactive annual shareholder outreach provides feedback to relevant Board committees
Principle 4 Boards should have a strong, independent leadership structure	<ul style="list-style-type: none">• Strong Lead Independent Director with clearly defined duties that are disclosed to shareholders• Annual public disclosure of the Board's reasoning underlying its leadership structure and affirmation that the current leadership structure is appropriate• Independent chairs of all principal Board committees

Principle 5

Boards should adopt structures and practices that enhance their effectiveness

- 10 of 11 directors are independent
- Directors reflect a diverse mix of industry, regulatory, management, technology, risk and other experience and skills relevant to State Street's businesses and strategies
- 3 out of 11 directors are women
- Key Board committees (Examining and Audit Committee; Executive Compensation Committee; Nominating and Corporate Governance Committee; and Technology Committee) are fully independent. State Street also has a Risk Committee, on which the CEO serves along with 5 independent directors
- Annual Board-level assessment of each director's contributions, skills, committee assignments and tenure when analyzing the overall composition and effectiveness of the Board
- Board has full and free access to officers and employees
- During 2017, each of the incumbent directors attended at least 75% of the total of all meetings of the Board and its committees on which the director served during his or her service as a director, and each of the 12 nominees for election attended the 2018 annual shareholder meeting
- Active Board refreshment with 5 new directors in the last 5 years

Principle 6

Boards should develop management incentive structures that are aligned with the long-term strategy of the company

- Executive Compensation program received 96% shareholder support at 2018 annual meeting
- Executive Compensation Committee evaluates corporate performance, individual performance and market, regulatory and shareholder considerations when making total compensation determinations for each member of the Management Committee
 - Corporate performance is determined by assessing the company's financial performance, achievement of strategic objectives and risk management performance
 - Individual performance assessments are determined based on the executive's strategic, financial, risk excellence and leadership contributions
- Corporate and individual performance assessments for identified executives are described in the annual proxy statement