



Butterfield

CORPORATE GOVERNANCE GUIDELINES

The following Corporate Governance Guidelines (the “**Guidelines**”) have been adopted by the Board of Directors (the “**Board**”) of The Bank of N.T. Butterfield & Son Limited (the “**Bank**”) to promote the effective functioning of the Board and its committees.

The Bank shall abide by these Guidelines to ensure that the Board is independent from management, that the Board adequately performs its function as the overseer of management and that the interests of the Board and management are aligned with those of shareholders.

1. Board Composition and Qualifications

Under the Bye-laws of the Bank, the Board may determine the size of the Board, provided that there are at least six and no more than 12 directors (each a “**Director**”). The number of Directors at any time will depend on a number of factors, including resignations, retirements, and the availability of appropriate, qualified candidates; as well as ensuring that the Board has an appropriate number of Directors to facilitate discussions and decision-making.

The Board shall be comprised of individuals with the balance of skills, knowledge and experience that will enable it to (i) provide oversight to the affairs of the Bank, and (ii) constitute the standing or ad hoc Board committees, as deemed required by the Board, and satisfy any regulatory requirements in respect thereof.

2. Director Independence

A majority of the Board will consist of Directors whom the Board has determined to be independent. In general, an independent Director must have no material relationship with the Bank, directly or indirectly, except as a Director. The Board will determine independence based on the standards specified in the corporate governance rules of the New York Stock Exchange and other facts and circumstances the Board considers relevant. A Director whom the Board has determined to be independent (“**non-Independent Director**”) must notify the Chairman and CEO of any change in circumstances or relationships that might impact such determination. Directors will be expected to complete a detailed questionnaire to enable an assessment of independence to be undertaken.

3. Chairman and CEO

The Board believes it is appropriate and efficient for the Bank’s Chief Executive Officer (“**CEO**”) to also serve as Chairman of the Board. However, the Board retains the authority to separate those functions if it deems such action appropriate in the future. If the Chairman of the Board is not an independent Director, the independent Directors shall designate from among them a Lead Independent Director who shall have the duties specified below under “Lead Independent Director and Director Executive Sessions”.

4. Lead Independent Director and Director Executive Sessions

The non-executive Directors must meet at regularly scheduled executive sessions without management. Directors may also hold regular executive sessions of the independent Directors. The Lead Independent Director shall preside at these meetings.

The duties of the Lead Independent Director include, but are not limited to, the following: (i) to preside at meetings of the Board at which the Chairman and CEO is not present and at executive sessions; (ii) to serve as liaison between the Chairman and CEO and the non-executive Directors; (iii) to have the authority to call meetings of the Directors, including separate meetings or executive sessions of Directors; (iv) to have the



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authority to call meetings and exclude any Directors deemed non-independent; (v) in consultation with the Chairman and CEO, review and approve meeting agendas, meeting schedules, and information to the Board; and (vi) to be available for consultation and direct communication with shareholders as appropriate.

5. Board Committees

The Board will appoint from among its members standing or ad hoc committees as it determines are necessary or appropriate to conduct its business. Currently, the standing committees of the Board are the Audit Committee, the Compensation and Human Resources Committee, the Risk Policy and Compliance Committee and the Corporate Governance Committee.

Each standing committee shall have its own charter outlining its responsibilities. Charters shall be adopted by the Board based on the recommendation of the applicable committee. Written minutes of each meeting in the form approved by the standing committee shall be prepared and filed with the Bank. The Chair of each committee will regularly report to the full Board on the activities of their committee.

The Chair of each standing committee, in consultation with the other committee members, will determine the frequency (subject to any applicable charter requirements) and length of the meetings of such committee. In general, committees shall meet at in-person Board meetings and at other times when the relevant committee deems additional meetings are appropriate. The Chair of each standing committee, in consultation with the other members of the committee or management (as appropriate), shall also approve the agenda for each meeting.

6. Board Meetings and Director Responsibilities

An agenda for each Board meeting and relevant materials, if any, will be distributed to Directors in advance of each meeting. The Chairman and CEO and Lead Independent Director shall consult on and set the agenda for Board meetings. Any Director may request the inclusion of specific items. It is expected that each Director will make every effort to attend meetings. Attendance in person is preferred but attendance by teleconference or videoconference is permitted if necessary. Each year, Directors are required to attend a majority of Board meetings in person, at least one of which shall take place in Bermuda. Each Director should be familiar with the agenda and have reviewed the materials.

The proceedings and the deliberations of the Board and its committees are confidential. Each Director will maintain the confidentiality of information received in connection with their service as a Director, as set forth in the Bank's Code of Conduct and Ethics.

7. Director Access to Management

Directors will have full access to senior management of the Bank and other employees on request to discuss the business and affairs of the Bank.

8. Authority to Engage Advisors

The Board and each committee has the authority to retain outside advisors, including legal, financial or other experts, as it deems appropriate, with notification to the Chairman and CEO or General Counsel of anticipated costs. The fees and expenses of any such advisors shall be paid by the Bank and shall be reasonable and commensurate with market rates for the work to be undertaken.



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9. Other Directorships

Recognising the substantial time commitment required of Directors, it is expected that Directors will serve on the boards of other companies only to the extent that, in the judgement of the Board, following detailed consideration by the Corporate Governance Committee, such services do not detract from the Director's ability to devote the necessary time and attention to the Bank. Directors will not accept a seat on any additional company board without first reviewing the matter with the Chairman and CEO and the completion of a review of potential conflicts of interests.

10. Material Changes in Personal Circumstances

Directors are required to notify the Chairman and CEO of material changes in personal circumstances which may impact their ability to undertake their duties as a Director of the Bank.

11. Term

As set forth in the Bank's Bye-laws, Directors hold office until the Bank's next annual general meeting. Accordingly, the term for Directors is generally one year.

12. Code of Conduct and Ethics

The Board has adopted a comprehensive Code of Conduct and Ethics. Each Director is expected to be familiar with and to follow these standards, as well as these Guidelines. Directors acknowledge annually their obligation to follow the Bank's Code of Conduct and Ethics.

13. Amendment and Disclosure

The Guidelines are intended to serve as a governance framework within which the Board conducts its affairs. The Board shall be entitled, in the exercise of its discretion, to review, modify or waive the application of these Guidelines from time to time as the Board may deem necessary or appropriate or as required by applicable laws and regulations. These Guidelines shall be posted on the Bank's website.

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