

LEGG MASON, INC.  
BOARD OF DIRECTORS  
FINANCE COMMITTEE CHARTER

I. PURPOSE

The Finance Committee (the "Committee") of the Board of Directors (the "Board") of Legg Mason, Inc. (the "Company") shall assist the Board with its oversight of the Company's financing, acquisition, and certain other transactions of importance to the Company as set forth below under "Duties and Responsibilities."

II. MEMBERSHIP

The Committee membership shall include at least three independent directors and any other Board members as the Board deems appropriate; provided, that at all times a majority of the Committee's members shall be independent directors. The Chairman of the Committee will be an independent director. The Chairman and the members of the Committee shall be nominated by the Nominating & Corporate Governance Committee and appointed by the Board.

The "independence" of Committee members shall be determined by the Board in accordance with the Securities Exchange Act of 1934, rules and regulations of the Securities and Exchange Commission, listing standards of the New York Stock Exchange, Inc. and any additional independence standards that may be adopted by the Board.

III. DUTIES & RESPONSIBILITIES

The Committee shall:

- Review and make recommendations to the Board regarding, or, if approval authority is delegated by the Board, approve, the following:
  - principal terms and conditions of debt or equity securities issued in financings by the Company;
  - financial considerations relating to the acquisition of businesses or operations, the entry into joint ventures or the divestiture of Company operations that require Board approval;
  - significant financial transactions involving the economic arrangements with the senior executives of a Company subsidiary; and
  - any other potential transaction that the Board asks the Committee to review.
- Regularly report on its activities to the Board;
- Review this Charter at least annually and recommend any proposed changes to the Board; and
- Conduct an annual self-evaluation of the performance of the Committee.

#### IV. ADMINISTRATION

##### A. Meetings

The Committee shall meet as often as necessary to fulfill its responsibilities as set forth in this Charter. The Chairman of the Committee will preside at all meetings of the Committee at which he or she is present and will establish agendas for Committee meetings. The Chairman of the Committee may call meetings of the Committee as circumstances warrant by providing written or telephonic notice to the other members of the Committee at least two (2) business days prior to the date of the proposed meeting. Such notice may be waived by a Committee member and will be deemed waived by a Committee member who participates in the meeting. Members of the Committee may participate in meetings telephonically when they are unable to attend meetings in person. In lieu of a meeting, the Committee may act by unanimous written consent of all Committee members.

The Committee shall maintain minutes of its meetings and regularly report on its activities to the Board.

##### B. Quorum

A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The action of a majority of the Committee members present or participating telephonically at a meeting at which a quorum is present shall constitute the action of the Committee.

##### C. Retention of Experts

The Committee shall have the authority to retain consultants, legal counsel and other advisers to assist the Committee in fulfilling its duties and responsibilities. The Committee shall also have the authority and responsibility to negotiate and approve the fees and other engagement terms of such experts and to direct the payment of fees to such experts.

##### D. Tenure

The Chairman and members of the Committee shall be appointed by and serve at the pleasure of the Board and may be removed at any time by majority vote of the Board members present at a meeting at which a quorum is present.

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Adopted by the Board on 4/26/11.