

LEGG MASON, INC.
BOARD OF DIRECTORS
RISK COMMITTEE CHARTER

I. PURPOSE

The Risk Committee (the "Committee") of the Board of Directors (the "Board") of Legg Mason, Inc. (the "Company") shall assist the Board in its oversight of the Company's enterprise risk management activities. The Company's enterprise risk management activities contemplate potential risks to the enterprise, including risks arising from or related to managing client assets (investment risks) and other risks inherent in the Company's activities (business/operational risks).

II. MEMBERSHIP

The Chairman and the members of the Committee shall be nominated by the Nominating & Corporate Governance Committee and appointed by the Board.

The Committee shall consist of at least three directors, and shall be composed solely of directors independent of management and the Company. The members of the Committee shall meet the independence requirements of the New York Stock Exchange, the Securities Exchange Act of 1934, the rules and regulations of the SEC and any additional independence standards that may be adopted by the Board.

Risk assessment and risk management are the responsibility of the Company's management. The Committee's function is one of oversight, and its members will not, and are not expected to, provide expert advice as to the Company's risk management activities.

III. DUTIES & RESPONSIBILITIES

The Committee, in discharging its role, shall have the following duties and responsibilities:

- Review and discuss with management management's activities to establish and maintain an appropriate environment and culture at the Company for sound business risk practices;
- Periodically review and discuss with management the Company's enterprise risk management program, including the Company's enterprise risk management leadership, organization, structure and processes;
- Review and discuss with the Company's Chief Risk Officer and other members of management the Company's risk tolerance, the major risk exposures of the Company and the steps management has taken to monitor and manage such exposures;

- Engage in a dialogue with the Chief Risk Officer and other members of management, as and when appropriate, intended to challenge and enhance the effectiveness of processes to identify, assess and manage the Company's major risk exposures;
- Receive, review and discuss with management reports from the Company's Chief Risk Officer and other members of management regarding the Company's risk management activities, including management's assessment of the Company's major risk exposures and the steps taken to monitor and manage such exposures and the risk management program of each of the Company's significant asset management subsidiaries;
- Coordinate with the Audit Committee, the Chief Risk Officer and other members of management regarding oversight of the Company's risk management processes and to help ensure that both the Committee and the Audit Committee have received all information necessary to permit them to fulfill their duties and responsibilities with respect to oversight of risk management activities;
- Coordinate with the Nominating and Corporate Governance Committee, and the Compensation Committee and Finance Committee in relation to the activities of those committees that relate to the management of risks;
- Coordinate with the Board with respect to the Company's risk management activities over which the Board maintains primary oversight;
- Annually review and reassess the adequacy of this charter and recommend any proposed changes to the Board for approval;
- Annually conduct a self-evaluation of the performance and effectiveness of the Committee and report the results of that evaluation to the Board; and
- Perform such other functions as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions, or as may be delegated to it from time to time by the Board.

IV. ADMINISTRATION

A. Meetings

The Committee shall meet at least four times per year. 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 special meetings of the Committee as circumstances warrant by providing written, electronic or telephonic notice to the other members of the Committee at least three (3) days prior to the date of the proposed special 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. In lieu of a meeting, the Committee may act by unanimous written consent of all Committee members. The Chairman shall preside at each meeting. In the

event the Chairman is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

The Committee may request any officer or employee of the Company, the Company's outside counsel or any consultants or other advisers to the Company to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Committee shall report on its activities to the Board at each regular meeting of 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. 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.

D. 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 will obtain advice and assistance from outside legal, accounting or other advisors as it deems necessary, and, shall 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 by the Company to such experts.

E. Subcommittees

The Committee may form and delegate authority to subcommittees as it deems appropriate.

F. Minutes

The Committee shall maintain written minutes of its meetings and file them with the Company's books and records.

Adopted by the Board on 2/19/10 and amended 4/27/10, 7/26/11 and 7/27/15.