

Legg Mason, Inc. Stock Ownership Guidelines
for Directors and Executive Officers

It is the position of the Board of Directors (the “Board”) of Legg Mason, Inc. (the “Company”) that all directors and executive officers of the Company should have meaningful ownership interests in the Company. To that end, it is the intention of the Board that:

- **Each non-employee director will be expected to own, at a minimum, an amount of shares of common stock or restricted stock units equal to five times the director’s annual board retainer.**
- **Each executive officer will be expected to own, at a minimum, shares of common stock, restricted stock, restricted stock units or phantom stock equal to one of the following:**
 - **Chief Executive Officer – eight times base salary**
 - **Sr. Executive Vice Presidents – five times base salary**
 - **Other Executive Officers – two times base salary**
- **Directors and executive officers will have five years from the date the director is elected or executive officer is appointed to meet the minimum ownership guidelines set forth herein.**
- **During the five-year period before a new executive officer is required to meet the minimum ownership guidelines, each such executive officer will be expected to retain and hold 50% of the net after-tax shares received from any equity awards (or exercise of stock options) until such time as the executive officer is in compliance with the applicable minimum ownership level set forth herein.**
- **The Board will review these guidelines on an annual basis.**

Adopted by the Board on April 29, 2008 and amended on April 26, 2011, May 28, 2013 and April 28, 2015.