



## **T. ROWE PRICE GROUP, INC. CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors (the “Board”) of T. Rowe Price Group, Inc. (the “Company”) represents the interests of stockholders in fostering a business that is successful in all respects. The Board is responsible for determining that the Company is managed with this objective in mind and that management is executing its responsibilities. The Board’s responsibility is to regularly monitor the effectiveness of management policies and decisions including the execution of its strategies. In addition to fulfilling its obligations for representing the interests of stockholders, the Board has responsibility to the Company’s employees, the mutual funds and investment portfolios that the Company manages, the Company’s other customers and business constituents and to the communities where the Company operates. All are essential to a successful business.

### **Board Composition**

1. **Size of the Board.** The Board may have up to 15 members, and the size of the Board will be adjusted upward or downward in accordance with the Company’s Amended and Restated By-Laws to reflect the changing needs of the Company.
2. **Mix of Inside and Outside Directors; Independence Defined.** A majority of the members of the Board must be independent. If the Company is unable to comply with this requirement because one director ceases to be independent for reasons beyond his or her reasonable control, or due to one temporary vacancy, the Board will still have authority to take valid actions during such noncompliance, but will take steps to remedy such noncompliance as promptly as possible and in any event as required by Nasdaq.

An “**independent director**” is a person who is not an officer or employee of the Company or its subsidiaries, who is free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and who otherwise meets the requirements set forth by Nasdaq, regulatory agencies, and any additional Board guidelines. A director will not be considered “independent” until the Board affirmatively determines that such director meets all applicable standards. The Board will review these determinations at least once each year.

3. **Board Membership Criteria.** The Nominating and Corporate Governance Committee is responsible for recommending to the Board the appropriate skills and characteristics required of Board members, based on the needs of the Company from time to time. This assessment will include background, experience, commitment, judgment, diversity and other factors deemed relevant to the governance needs of the Company. Prospective Board members in all cases should demonstrate unimpeachable character and integrity, have sufficient time to carry out their duties, have experience at senior levels in areas of expertise helpful to the Company and consistent with the objective to

have a diverse and well-rounded Board, and have the willingness and commitment to assume the responsibilities required of a director of the Company. The Nominating and Corporate Governance Committee will confer with the full Board as to the application of these criteria in connection with particular searches for new directors.

Without limiting the generality of the foregoing, and without suggesting that all of these skills and capabilities must be present at all times on the Board or that there may not be other skills and capabilities that may be of equal or greater relevance at a particular time, the following are examples of particular skills and capabilities that may be useful for the Board as a whole: investment and money management, general management and leadership, economics and economic policy, audit and accounting, finance and treasury functions, marketing, operations, technology and cyber-security, human resources and personnel, risk management, strategic planning, governance, law, regulation and compliance, property management, and international and global experience relating to one or more of the foregoing areas.

4. **Selection of New Director Candidates.** The Board will select nominees from candidates identified and screened by the Nominating and Corporate Governance Committee (with input from management). In considering the need for nominees, the Nominating and Corporate Governance Committee will consider any expected Board departures and retirements and will factor succession planning for Board members into its deliberations, with particular reference to specific skills and capabilities of departing Board members. Any invitation to be nominated to or to join the Board will be extended through the Chairperson of the Nominating and Corporate Governance Committee, after approval by the full Board.
5. **Director Orientation and Continuing Education.** When a new director joins the Board, management will provide an orientation program for the purpose of providing the new director with an understanding of the operations and the financial condition of the Company. In addition, each director is expected to maintain the necessary level of expertise to perform his or her responsibilities as a director. The Company will, from time to time and at least annually, offer Company sponsored continuing education programs or presentations to assist the directors in understanding the Company and its industry and maintaining the level of expertise required for the director. Each director also is encouraged to participate, at least once every three years, in continuing education programs for public-company directors sponsored by nationally recognized educational organizations not affiliated with the Company. The costs of all such continuing education shall be paid by the Company.
6. **Other Board Memberships.** Directors will advise the Chairperson of the Nominating and Corporate Governance Committee in advance of accepting any directorship with a for-profit entity, to allow for a review of potential legal issues and conflicts, and no director will accept such a position if the Committee determines that to do so would be inappropriate given legal or other conflict issues. Absent approval from the Nominating and Corporate Governance Committee, no director may serve on more than three other

public-company boards (in addition to the Company's Board). In this regard, it is the Board's belief that whether it is appropriate for a director to serve on more than three other public-company boards will depend on the circumstances of each case, including whether the director also is a full-time executive with another organization.

7. **Directors Who Change Their Affiliations.** Any director who retires from or changes his or her employment or otherwise has a material change in professional responsibilities, occupation or business association shall give written notice to the Chairperson of the Nominating and Corporate Governance Committee as soon as possible, specifying the details of such change(s) and tendering his or her resignation from the Board and from each Board committee on which he or she serves. The Nominating and Corporate Governance Committee will consider the change(s) and all relevant factors and make a recommendation to the Board regarding whether to accept the proposed resignation or permit the director to continue to serve on the Board. The director whose membership is being reviewed shall not participate in the review or vote on the matter. It is the Board's belief that not every change in circumstances will require that a director leave the Board. The resignation which is tendered is not effective unless and until it is accepted by the Board.
8. **Term Limits; Retirement Age.** The Board does not impose term limits. No person shall be eligible to stand for election or re-election to the Board if such person shall have reached the age of 72, provided that any person who has not completed five years of service as a director by the age of 72 shall not be required to retire until the annual election after he or she has served for a total of five years; and provided further that the Board, in its sole discretion, may make exceptions to this policy as it deems necessary or advisable.
9. **Stock Ownership and Retention Guidelines for Non-Employee Directors.** The Board believes that non-employee directors should have a significant personal financial stake in the Company's performance. Consequently, each non-employee director is expected to acquire and hold shares of the Company's common stock having a value equal to five times his or her annual cash retainer at the time he or she joins the Board (or December 7, 2007 for directors in office at that time). For purposes of this ownership guideline, unvested shares of restricted stock and stock units are counted, but unexercised stock options are not. Directors are expected to achieve this ownership goal within five years after the Board's adoption of, or amendment to, these guidelines to establish the applicable threshold or within five years after the director's appointment to the Board, whichever is later.

This ownership guideline applies to the number of shares held by a director on the date his or her Company ownership interest has an aggregate value meeting the applicable ownership goal. Upon meeting the ownership goal, that number of shares becomes fixed and must be maintained until the end of the director's service on the Board. A director's ownership requirement will not change as a result of changes in his or her retainer fee or fluctuations in the Company's common stock price.

In order to facilitate achievement of the ownership goal, until the ownership goal is achieved, the director is expected to retain "net gain shares" resulting from the exercise

of stock options or the vesting of restricted stock granted under the Company's Non-Employee Director Equity Plan. Net gain shares are the shares remaining after the payment of the option exercise price and taxes owed with respect to the exercise or vesting event (assuming for this purpose a flat 40 percent tax rate). In addition, net gain shares realized under the Non-Employee Director Equity Plan after the ownership goal is achieved are expected to be held for two years prior to sale or other transfer, but not beyond the end of the director's service on the Board.

Nothing in this Section 9 shall preclude transfers of equity instruments to trusts or similar entities for the benefit of a director, his or her spouse or family members.

The Nominating and Corporate Governance Committee will from time to time review these stock ownership guidelines and recommend any changes for Board consideration.

10. **Voting for Directors; Resignation.** The By-Laws of the Company provide that a director who receives a greater number of "against" votes for his or her election than votes "for" such election shall tender his or her resignation to the Board. Pursuant to the By-Laws, any such resignation shall be evaluated by the Nominating and Corporate Governance Committee, which will make a recommendation to the Board as to the response to the resignation offer.

## **Board Leadership**

1. **Roles of Chairperson and CEO.** The Board will determine from time to time whether it is in the best interests of the Company for the role of the chief executive officer and Chairperson to be combined or separated, and whether, if separated, the Chairperson is an independent director. The Chairperson has the following responsibilities and authority:
- Lead the Board in fulfilling its duties and collaborate with the Lead Director and committee Chairpersons to assure the efficient and effective functioning of the Board.
  - Preside at meetings of the Board and at the Annual Meeting of Stockholders.
  - Set the tone of a positive and respectful culture for the Board and foster open and constructive discussion and timely and effective decision making.
  - Establish the schedule of meetings of the board in consultation with the Lead Director to provide adequate time for full consideration of its business.
  - Establish the agenda for Board meetings in consultation with the Lead Director and solicit input from the Board and the Chief Executive Officer as to agenda topics.
  - Oversee the providing of timely and sufficient information to the Board to conduct its business and to monitor the strategy and performance of the Company.
  - Chair the Executive Committee of the Board and call and preside at meetings of the Executive Committee.

- Participate with the Nominating and Corporate Governance Committee and the Lead Director in the recruitment of qualified director candidates and the design of the orientation program for new directors.
  - Assist the Nominating and Corporate Governance Committee in the annual assessment of the performance of the Board and its members.
  - Be available for consultation with the Chief Executive Officer and provide for appropriate management participation in Board meetings.
  - Respond on behalf of the Board to inquiries from stockholders in consultation with the Lead Director.
  - Serve with the Lead Director as the public spokespersons for the Board.
2. **Lead Director.** If the Chairperson is not an independent director, the independent directors will designate a lead director at each annual Board meeting, to serve until the following annual Board meeting, and may alter such designation at any time. An independent director may serve as Lead Director for up to four consecutive years. The Lead Director has the following responsibilities and authority:
- Chair Board meetings at which the Chairperson is not present.
  - Chair and develop topics of discussion for the executive sessions of the independent directors.
  - Act as liaison between the independent directors and the Chairperson and the independent directors and management, as requested by the independent directors.
  - Be available for consultation with management.
  - Provide input on and approve final Board meeting agendas.
  - Approve Board meeting schedules to assure there will be sufficient time to properly address agenda items.
  - Oversee the information distributed in advance of Board meetings, including approval of the topics to be covered.
  - Be available to the chief legal officer to discuss and, as necessary, respond to stockholder communications to the Board in accordance with these Guidelines and the established policy entitled “Stockholder Communications with the Board of Directors” as amended from time to time by the Nominating and Corporate Governance Committee.
  - Call meetings of the independent directors.
  - Participate with the Nominating and Corporate Governance Committee and the Executive Compensation and Management Development Committee in senior officer succession planning.
  - Lead the independent directors in the annual setting of goals for the chief executive officer and the annual performance review of the chief executive officer and provide feedback from the performance review to the Executive

- Compensation and Management Development Committee for its compensation determinations for the chief executive officer.
- Together with the Chairperson, insure the efficient and effective performance and functioning of the board.
  - Participate with the Chairperson and the Nominating and Corporate Governance Committee in the identification and evaluation of director candidates.
  - Participate with the Chairperson and the Nominating and Corporate Governance Committee in the appointment of committee chairs and members.
  - Assist the Chairperson in the orientation of newly elected independent directors.
  - Be available as needed for consultation and direct communication with major stockholders.
  - Be available for communication on behalf of the board with any regulators to discuss the appropriateness of the board's oversight of management and the Company.
  - Serve as liaison and provide direction to any advisers and consultants retained by the independent directors.

## Board Meetings

1. **Scheduling.** Board meetings are scheduled in advance, typically six times per year.
2. **Agenda for Board Meetings.** The Chairperson of the Board will, in consultation with and subject to the approval of the Lead Director, establish and distribute in advance the agenda for each Board meeting. Directors are encouraged to suggest items for the agenda to the Chairperson or the Lead Director.
3. **Information Provided to the Board; Communications.**
  - 3.1 **Pre-Meeting.** Information important to the matters that will be discussed at Board meetings is to be distributed in advance of the meeting so that directors may prepare for meetings and meeting time can be devoted to substantive discussion. The Lead Director has oversight responsibility regarding the information to be distributed in advance of Board meetings, including approval of the topics to be covered.
  - 3.2. **Between Meetings.** The chief executive officer will keep directors advised of any significant developments between meetings.
  - 3.3. **Communications.** Regular discussion between the directors and the chief executive officer, and among directors, is encouraged. The chief executive officer should make full use of the Board's talents by conferring with directors about Company matters within the directors' areas of expertise.
4. **Expectations of Directors.**
  - 4.1. **Attendance; Availability.** Each director is expected to attend each meeting of the Board and any committee of which the director is a member, and each

annual meeting of stockholders (absent extenuating circumstances), and to be reasonably available to management and the other directors for consultation between meetings.

- 4.2. **Review of Materials; Operational Issues.** Directors are to review carefully information distributed to them prior to Board and committee meetings. If directors have questions either about the materials distributed or Company operations generally that are not likely to be of general interest or relevance to the entire Board, those issues should be discussed by the director with management either prior to or between Board meetings.
5. **Attendance of Non-Directors at Board Meetings.** The Board encourages management to bring officers and managers into Board meetings from time to time, when such managers can provide additional insight into the items being discussed and/or have potential as future members of senior management. The Company's chief legal officer is to attend all Board meetings. If the chief executive officer wishes to add additional personnel as attendees at Board meetings on a regular basis, Board approval should be sought.
6. **Conduct of Meetings.** The Chairperson or Lead Director, as applicable, should conduct Board meetings on the assumption that each director has carefully reviewed all Board materials, and will fairly facilitate open and respectful discussions.
7. **Executive Sessions of Independent Directors.** The independent directors will regularly meet in executive session, typically in conjunction with regularly scheduled Board or committee meetings and, in any case, at least twice each year. Unless the independent directors select another director to act as Chairperson, such sessions will be chaired by the Lead Director, who will also establish an agenda for such meetings and follow up with management as appropriate.

## **Board and Committee Responsibilities and Policies**

1. **Succession Planning.** The Nominating and Corporate Governance Committee shall oversee the process for succession planning for the chief executive officer and in this connection, will consult as appropriate with the Executive Compensation and Management Development Committee and the other independent directors of the Company.
2. **Assessing the Board's Performance.** At least annually, the Board will assess its performance and the contributions made by directors, with a view to making full and productive use of directors' talents and improving the performance of the Board and its committees. The Nominating and Corporate Governance Committee will establish and monitor procedures by which the Board will conduct such evaluations. This initiative will be led by the Chairperson of the Nominating and Corporate Governance Committee, in consultation with the Lead Director.
3. **Board Compensation Review.** The Nominating and Corporate Governance Committee, in consultation with management and outside compensation consultants,

will periodically review the compensation for independent directors and, if not a member of management, the Chairperson. Compensation for independent directors and, if applicable, the Chairperson, will be recommended to the Board by the Nominating and Corporate Governance Committee.

- 4. Stockholder Communications.** The Nominating and Corporate Governance Committee has established and will monitor procedures entitled “Stockholder Communications with the Board of Directors”, which may be amended from time to time by the Nominating and Corporate Governance Committee. All communications to the Board will be handled in a manner consistent with such procedures.
- 5. Stock Ownership Guidelines for Executive Officers.** The Nominating and Corporate Governance Committee has adopted stock ownership guidelines for executive officers of the Company. The guidelines state that executive officers are to reach the stated level of ownership (stated as a multiple of the individual executive’s base salary) within five years of when the executive first assumed his or her particular position. The ownership guidelines are:

Chairperson, Vice Chairman and President	10x base salary
Other members of the Management Committee	5x base salary
Other executive officers	3x base salary

For purposes of the foregoing, executive officers means executive officers as defined under the Rules and Regulations of the Securities Exchange Act of 1934, as amended. Officers will be notified each year where they stand with regard to these guidelines. For purposes of these guidelines, unvested shares of restricted stock and stock units are counted, but unexercised stock options are not.

This ownership guideline applies to the number of shares held by an officer on the date his or her Company ownership interest has an aggregate value meeting the applicable ownership goal. Upon meeting the ownership goal, that number of shares becomes fixed and must be maintained until the individual no longer is an executive officer. In the event of an increase in the base salary of an officer or the assumption by an officer of a new position with a higher share ownership requirement, the officer will then have five years to reach the level established by the increase in base salary or new position.

## Committee Matters

- 1. Number, Titles and Charters of Committees.** The standing Board committees are (a) Audit, (b) Executive, (c) Executive Compensation and Management Development, and (d) Nominating and Corporate Governance. Each committee reviews its charter and activities annually, with the assistance of inside or outside counsel and advisers, as appropriate, to make certain that they are consistent with sound governance practices and legal requirements. From time to time the Board may establish new committees, or disband existing committees, if the Board deems such action to be appropriate; provided, however, that the Board will maintain compliance with Nasdaq and other applicable regulations.



2. **Assignment and Rotation of Committee Members and Committee Chairs.** The Nominating and Corporate Governance Committee is responsible, after consultation with the Chairman of the Board and the Lead Director and consideration of the preferences of individual directors, for recommending to the Board the assignment of directors to committees each year and the selection of committee Chairpersons. The Nominating and Corporate Governance Committee recognizes that periodic rotation of committee membership and Chairpersons is generally beneficial, although for some committees, such as the Audit Committee, continued service on the committee or as committee Chairperson by individuals with particular skills may be appropriate. Subject to the preceding sentence, committee Chairpersons will be considered for change at least every five years. Each Independent director is expected to serve at all times on at least one, and preferably two, committees.
3. **Frequency and Length of Committee Meetings.** Each committee Chairperson, in consultation with committee members, will determine the frequency and length of each committee's meetings. Each committee will meet at least four times each year with the exception of the Executive Committee, which will meet as needed.
4. **Committee Agenda; Attendance.** Each committee Chairperson, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. Each committee will issue annually a schedule of potential major action items for the upcoming year (to the extent these items can be foreseen). These schedules will be shared with the Board. Attendance of non-Board members at committee meetings will be at the pleasure of the committee. Committees will regularly hold executive sessions.
5. **Minutes and Reports.** Minutes of each committee meeting or action will be maintained. Each committee will report regularly, through its Chairperson, to the Board on substantive matters considered by the committee.

## Other Matters

1. **Board Access to Management.** Directors have complete access to members of the Company's management team. Directors will use judgment to be sure that such contacts are not distracting to the business operations of the Company.
2. **Board Interaction with Institutional Investors, the Press and Others.** Senior management of the Company has the responsibility for speaking with outside constituencies such as the press, investors, analysts or the financial community. Any participation by directors in communications with outside constituencies will be led by the Lead Director and will be subject to the direction of the Board of Directors and will be after appropriate consultation with the chief executive officer. Individual directors will maintain confidentiality on all board-related and Company matters.
3. **Resources.** The Board will have the resources and authority appropriate to discharge its responsibilities, including the authority to retain and terminate special counsel and other experts or consultants.

4. **Amendments of Guidelines.** The Nominating and Corporate Governance Committee will review these Corporate Governance Guidelines annually and will recommend changes for review and approval by the Board.

*Last Reviewed and Approved: April 26, 2017*