

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OF THE SECURITIES EXCHANGE ACT OF  
1934

For the quarterly period ended June 30, 2010

Commission File Number: 000-32191

**T. ROWE PRICE GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State of incorporation)

**52-2264646**

(I.R.S. Employer Identification No.)

**100 East Pratt Street, Baltimore, Maryland 21202**

(Address, including Zip Code, of principal executive offices)

**(410) 345-2000**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.  **Yes** o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months.  **Yes** o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

**Large accelerated filer**

Accelerated filer o

Non-accelerated filer o

Smaller reporting company o

Do not check if a smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes  **No**

The number of shares outstanding of the issuer's common stock (\$.20 par value), as of the latest practicable date, July 21, 2010, is 256,349,104.

The exhibit index is at Item 6 on page 16.

**PART I — FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

(in millions, except share data)

	<u>12/31/2009</u>	<u>6/30/2010</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 743.3	\$ 735.1
Accounts receivable and accrued revenue	246.2	257.1
Investments in sponsored mutual funds	677.5	648.8
Debt securities held by savings bank subsidiary	182.6	185.5
Other investments	45.7	200.2
Property and equipment	512.8	543.9
Goodwill	665.7	665.7
Other assets	136.5	166.7
<b>Total assets</b>	<b><u>\$ 3,210.3</u></b>	<b><u>\$ 3,403.0</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 79.9	\$ 101.3
Accrued compensation and related costs	53.3	144.0
Income taxes payable	33.6	35.5
Customer deposits at savings bank subsidiary	161.3	162.9
<b>Total liabilities</b>	<b><u>328.1</u></b>	<b><u>443.7</u></b>
Commitments and contingent liabilities		
<b>Stockholders' equity</b>		
Preferred stock, undesignated, \$.20 par value — authorized and unissued 20,000,000 shares	—	—
Common stock, \$.20 par value — authorized 750,000,000; issued 258,534,000 shares in 2009 and 257,186,000 in 2010	51.7	51.4
Additional capital in excess of par value	488.5	413.8
Retained earnings	2,240.1	2,410.8
Accumulated other comprehensive income	101.9	83.3
<b>Total stockholders' equity</b>	<b><u>2,882.2</u></b>	<b><u>2,959.3</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 3,210.3</u></b>	<b><u>\$ 3,403.0</u></b>

The accompanying notes are an integral part of these statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(in millions, except per-share amounts)

	Three months ended		Six months ended	
	6/30/2009	6/30/2010	6/30/2009	6/30/2010
<b>Revenues</b>				
Investment advisory fees	\$ 360.3	\$ 492.0	\$ 667.1	\$ 963.8
Administrative fees	81.3	84.7	158.7	168.3
Investment income of savings bank subsidiary	1.9	1.6	3.4	3.3
<b>Total revenues</b>	<b>443.5</b>	<b>578.3</b>	<b>829.2</b>	<b>1,135.4</b>
Interest expense on savings bank deposits	1.3	0.9	2.5	1.8
<b>Net revenues</b>	<b>442.2</b>	<b>577.4</b>	<b>826.7</b>	<b>1,133.6</b>
<b>Operating expenses</b>				
Compensation and related costs	199.7	215.1	375.1	422.8
Advertising and promotion	13.7	20.1	36.4	43.6
Depreciation and amortization of property and equipment	16.6	15.5	33.3	30.9
Occupancy and facility costs	24.4	25.8	49.8	51.5
Other operating expenses	33.9	47.8	67.6	93.0
<b>Total operating expenses</b>	<b>288.3</b>	<b>324.3</b>	<b>562.2</b>	<b>641.8</b>
<b>Net operating income</b>	<b>153.9</b>	<b>253.1</b>	<b>264.5</b>	<b>491.8</b>
Non-operating investment income (loss)	7.9	3.9	(28.1)	9.2
<b>Income before income taxes</b>	<b>161.8</b>	<b>257.0</b>	<b>236.4</b>	<b>501.0</b>
Provision for income taxes	61.8	98.5	88.2	189.5
<b>Net income</b>	<b>\$ 100.0</b>	<b>\$ 158.5</b>	<b>\$ 148.2</b>	<b>\$ 311.5</b>
<b>Earnings per share on common stock</b>				
Basic	\$ .39	\$ .61	\$ .58	\$ 1.20
Diluted	\$ .38	\$ .59	\$ .57	\$ 1.17
<b>Dividends declared per share</b>	<b>\$ .25</b>	<b>\$ .27</b>	<b>\$ .50</b>	<b>\$ .54</b>

The accompanying notes are an integral part of these statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in millions)

	Six months ended	
	6/30/2009	6/30/2010
<b>Cash flows from operating activities</b>		
Net income	\$ 148.2	\$ 311.5
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property and equipment	33.3	30.9
Stock-based compensation expense	44.0	43.1
Intangible asset amortization	.2	.2
Other than temporary impairments of investments in sponsored mutual funds	36.1	—
Other changes in assets and liabilities	8.0	66.5
Net cash provided by operating activities	<u>269.8</u>	<u>452.2</u>
<b>Cash flows from investing activities</b>		
Investment in UTI Asset Management Company Limited	—	(143.6)
Investments in sponsored mutual funds	(24.2)	(7.7)
Dispositions of sponsored mutual funds	39.2	2.0
Investments in debt securities held by savings bank subsidiary	(40.2)	(27.6)
Proceeds from debt securities held by savings bank subsidiary	28.3	26.8
Additions to property and equipment	(65.3)	(68.0)
Other investing activity	(2.3)	(4.9)
Net cash used in investing activities	<u>(64.5)</u>	<u>(223.0)</u>
<b>Cash flows from financing activities</b>		
Repurchases of common stock	(58.9)	(154.5)
Common share issuances under stock-based compensation plans	10.1	34.8
Excess tax benefits from share-based compensation plans	8.8	20.5
Dividends	(128.0)	(139.8)
Change in savings bank subsidiary deposits	11.0	1.6
Net cash used in financing activities	<u>(157.0)</u>	<u>(237.4)</u>
<b>Cash and cash equivalents</b>		
Net change during period	48.3	(8.2)
At beginning of year	619.1	743.3
At end of period	<u>\$ 667.4</u>	<u>\$ 735.1</u>

The accompanying notes are an integral part of these statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY  
(shares in thousands; dollars in millions)

	Common shares outstanding	Common stock	Additional capital in excess of par value	Retained earnings	Accumulated other comprehensive income	Total stockholders' equity
Balances at December 31, 2009	258,534	\$ 51.7	\$ 488.5	\$ 2,240.1	\$ 101.9	\$ 2,882.2
Comprehensive Income						
Net income				311.5		311.5
Net unrealized losses, net of tax					(21.4)	(21.4)
Currency translation adjustment, net of tax					2.8	2.8
Total comprehensive income						292.9
Dividends				(139.8)		(139.8)
Common stock-based compensation plans activity						
Shares issued upon option exercises	2,096	0.4	34.4			34.8
Restricted shares issued	124	.0	.0			.0
Shares issued on vesting of restricted stock units	1	.0	.0			.0
Forfeiture of restricted awards	(5)	.0	.0			—
Net tax benefits				21.2		21.2
Stock-based compensation expense				43.1		43.1
Common shares repurchased	(3,564)	(0.7)	(173.4)	(1.0)		(175.1)
Balances at June 30, 2010	257,186	\$ 51.4	\$ 413.8	\$ 2,410.8	\$ 83.3	\$ 2,959.3

The accompanying notes are an integral part of these statements.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — THE COMPANY AND BASIS OF PREPARATION.

T. Rowe Price Group derives its consolidated revenues and net income primarily from investment advisory services that its subsidiaries provide to individual and institutional investors in the sponsored T. Rowe Price mutual funds and other investment portfolios. We also provide our investment advisory clients with related administrative services, including mutual fund transfer agent, accounting and shareholder services; participant recordkeeping and transfer agent services for defined contribution retirement plans; discount brokerage; and trust services.

Investment advisory revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets under management impact our revenues and results of operations.

These unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, which require the use of estimates and reflect all adjustments that are, in the opinion of management, necessary to a fair statement of our results for the interim periods presented. All such adjustments are of a normal recurring nature. Actual results may vary from our estimates.

The unaudited interim financial information contained in these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements contained in our 2009 Annual Report.

NOTE 2 — INFORMATION ABOUT RECEIVABLES, REVENUES, AND SERVICES.

Accounts receivable from our sponsored mutual funds for advisory fees and advisory-related administrative services aggregate \$130.1 million at December 31, 2009, and \$130.3 million at June 30, 2010.

Revenues (in millions) from advisory services provided under agreements with our sponsored mutual funds and other investment clients include:

	Three months ended		Six months ended	
	6/30/2009	6/30/2010	6/30/2009	6/30/2010
<b>Sponsored mutual funds in the U.S.</b>				
Stock and blended asset	\$ 195.3	\$ 275.1	\$ 357.3	\$ 537.9
Bond and money market	53.5	67.7	103.2	130.3
	248.8	342.8	460.5	668.2
<b>Other portfolios</b>	111.5	149.2	206.6	295.6
<b>Total investment advisory fees</b>	<u>\$ 360.3</u>	<u>\$ 492.0</u>	<u>\$ 667.1</u>	<u>\$ 963.8</u>

The following table summarizes the various investment portfolios and assets under management (in billions) on which we earn advisory fees.

	Average during the second quarter		Average during the first half	
	2009	2010	2009	2010
<b>Sponsored mutual funds in the U.S.</b>				
Stock and blended asset	\$ 130.0	\$ 182.6	\$ 120.0	\$ 179.1
Bond and money market	49.6	64.8	48.5	63.3
	179.6	247.4	168.5	242.4
<b>Other portfolios</b>	121.8	166.1	114.7	162.8
	<u>\$ 301.4</u>	<u>\$ 413.5</u>	<u>\$ 283.2</u>	<u>\$ 405.2</u>

	As of	
	12/31/2009	6/30/2010
<b>Sponsored mutual funds in the U.S.</b>		
Stock and blended asset	\$ 172.7	\$ 168.0
Bond and money market	60.0	65.5
	232.7	233.5
<b>Other portfolios</b>	158.6	157.6
	<u>\$ 391.3</u>	<u>\$ 391.1</u>

Investors that we serve are primarily domiciled in the United States of America; investment advisory clients domiciled outside the United States account for 12% of our assets under management at June 30, 2010.

Fees for advisory-related administrative services provided to our sponsored mutual funds during the first half of the year were \$125.8 million in 2009 and \$131.6 million in 2010. Fees for these services during the second quarter were \$64.1 million in 2009 and \$66.0 million in 2010.

NOTE 3 – INVESTMENTS IN SPONSORED MUTUAL FUNDS.

These investments (in millions) include:

	Aggregate cost	Unrealized holding		Aggregate fair value
		Gains	Losses	
<b>December 31, 2009</b>				
Stock and blended asset funds	\$ 278.6	\$ 125.7	\$ —	\$ 404.3
Bond funds	238.9	34.3	—	273.2
	<u>\$ 517.5</u>	<u>\$ 160.0</u>	<u>\$ —</u>	<u>\$ 677.5</u>
<b>June 30, 2010</b>				
Stock and blended asset funds	\$ 285.1	\$ 90.7	\$ (.7)	\$ 375.1
Bond funds	238.9	34.8	—	273.7
	<u>\$ 524.0</u>	<u>\$ 125.5</u>	<u>\$ (.7)</u>	<u>\$ 648.8</u>



All of the unrealized holding losses at June 30, 2010 were incurred in the second quarter of 2010 and are attributable to two fund holdings with an aggregate fair value of \$7.0 million.

**NOTE 4 – DEBT SECURITIES HELD BY AND CUSTOMER DEPOSITS AT SAVINGS BANK SUBSIDIARY.**

Our savings bank subsidiary holds investments in marketable debt securities, including mortgage- and other asset-backed securities, which are accounted for as available-for-sale. The following table (in millions) details the components of these investments.

	12/31/2009		6/30/2010	
	Fair Value	Unrealized holding gains (losses)	Fair value	Unrealized holding gains (losses)
Investments with temporary impairment (34 securities in 2010) of				
Less than 12 months	\$ 14.4	\$ (.3)	\$ 10.5	\$ (.1)
12 months or more	9.8	(.8)	7.5	(.6)
Total	24.2	(1.1)	18.0	(.7)
Investments with unrealized holding gains	158.4	4.4	167.5	4.9
Total debt securities	\$ 182.6	\$ 3.3	\$ 185.5	\$ 4.2
Aggregate cost	\$ 179.3		\$ 181.3	

The unrealized losses in these investments were generally caused by changes in interest rates and market liquidity, and not by changes in credit quality. We intend to hold these securities to their maturities, which generally correlate to the maturities of our customer deposits, and believe it is more-likely-than-not that we will not be required to sell any of these securities before recovery of their amortized cost. Accordingly, impairment of these investments is considered temporary.

The estimated fair value of our customer deposit liability, based on discounting expected cash outflows at maturity dates that range up to five years, using current interest rates offered for deposits with the same dates of maturity, was \$164.9 million at December 31, 2009, and \$166.6 million at June 30, 2010.

**NOTE 5 – OTHER INVESTMENTS.**

These investments (in millions) include:

	12/31/2009	6/30/2010
Cost method investments		
10% interest in Daiwa SB Investments Ltd.(Japan)	\$ 13.6	\$ 13.6
Other investments	27.8	31.9
Equity method investments		
26% interest in UTI Asset Management Company Limited (India)	—	151.0
Other investments	1.6	2.3
Sponsored mutual fund investments held as trading	1.8	1.4
INR non-deliverable forward contract	.9	—
Total other investments	\$ 45.7	\$ 200.2

On January 20, 2010, we purchased a 26% equity interest in UTI Asset Management Company and an affiliate from existing stockholders for 6.5 billion Indian rupees (INR) or \$142.4 million, plus transaction costs of \$3.2 million of which \$2.0 million were paid in 2009. We are accounting for this investment using the equity method of accounting whereby its carrying value is adjusted to reflect our share of UTI's earnings and losses, as well as the unrealized gain or loss resulting from the translation of UTI's financial statements into U.S. dollars. Our share of UTI's earnings recognized in the second quarter and the first six months of 2010 totaled \$1.0 million.

In conjunction with our signing of the definitive UTI purchase agreements in November 2009, we entered into a series of rolling non-deliverable forward contracts to economically hedge the foreign currency exchange rate exposure relating to the UTI acquisition price. We recognized non-operating investment income of \$2.2 million in January 2010 in the valuation and settlement of these contracts.

**NOTE 6 – FAIR VALUE MEASUREMENTS.**

We determine the fair value of our investments using broad levels of inputs as defined by related accounting standards:

Level 1 – quoted prices in active markets for identical securities.

Level 2 – observable inputs other than level 1 quoted prices including, but not limited to, quoted prices for similar securities, interest rates, prepayment speeds, and credit risk. These inputs are based on market data obtained from independent sources.

Level 3 – unobservable inputs reflecting our own assumptions based on the best information available. We do not value any investments using level 3 inputs.

These levels are not necessarily an indication of the risk or liquidity associated with the investments. There were no transfers in or out of the levels. The following table summarizes our investments (in millions) that are recognized in our balance sheet using fair value measurements determined based on the differing levels of inputs.

	Level 1	Level 2
<u>December 31, 2009</u>		
Cash equivalents	\$ 676.5	
Investments in sponsored mutual funds		
Held as available-for-sale	677.5	
Held as trading	1.8	
Debt securities held by savings bank subsidiary	—	\$ 182.6
INR non-deliverable forward contract	.9	—
Total	<u>\$ 1,356.7</u>	<u>\$ 182.6</u>
<u>June 30, 2010</u>		
Cash equivalents	\$ 667.8	
Investments in sponsored mutual funds		
Held as available-for-sale	648.8	
Held as trading	1.4	
Debt securities held by savings bank subsidiary	—	\$ 185.5
Total	<u>\$ 1,318.0</u>	<u>\$ 185.5</u>

NOTE 7 – COMMON STOCK.

Accounts payable and accrued expenses includes \$20.6 million at June 30, 2010, representing the unsettled liability for common stock repurchases made in the last three days of the second quarter.

NOTE 8 – STOCK-BASED COMPENSATION.

Stock-based grants.

The following table summarizes the status of and changes in our stock option grants during the first six months of 2010.

	Options	Weighted-average exercise price
Outstanding at beginning of year	39,269,159	\$ 38.10
Semiannual grants	2,820,750	\$ 49.60
Reload grants	125,183	\$ 56.94
Non-employee director grants	4,000	\$ 56.51
Exercised	(2,819,208)	\$ 26.65
Forfeited	(200,200)	\$ 44.83
Expired	(28,778)	\$ 57.06
Outstanding at end of period	<u>39,170,906</u>	\$ 39.77
Exercisable at end of period	<u>20,701,456</u>	\$ 34.52

The following table summarizes the status of and changes in our nonvested restricted shares and restricted stock units during the first six months of 2010.

	Restricted shares	Restricted stock units	Weighted-average fair value
Nonvested at beginning of year	587,919	310,951	\$ 46.19
Granted to employees and directors	125,700	76,055	\$ 49.80
Vested	(8,112)	(8,450)	\$ 46.48
Forfeited	(5,375)	(10,025)	\$ 46.32
Nonvested at end of period	<u>700,132</u>	<u>368,531</u>	\$ 46.87

Future stock-based compensation expense.

The following table presents the compensation expense (in millions) to be recognized over the remaining vesting periods of the stock-based awards outstanding at June 30, 2010. Estimated future compensation expense will change to reflect future option grants, including reloads; future awards of unrestricted shares, restricted shares, and restricted stock units; changes in estimated forfeitures; and adjustments for actual forfeitures.

Third quarter 2010	\$ 21.6
Fourth quarter 2010	16.6
2011	52.0
2012 through 2015	47.2
Total	<u>\$ 137.4</u>

NOTE 9 – EARNINGS PER SHARE CALCULATIONS.

The reconciliation (in millions) of our net income to net income allocated to our common stockholders and the weighted average shares (in millions) that are used in calculating the basic and the diluted earnings per share on our common stock follow.

	Three months ended		Six months ended	
	6/30/2009	6/30/2010	6/30/2009	6/30/2010
Net income	\$ 100.0	\$ 158.5	\$ 148.2	\$ 311.5
Less: net income allocated to outstanding restricted stock and stock units	(.3)	(.7)	(.5)	(1.3)
Net income allocated to common stockholders	<u>\$ 99.7</u>	<u>\$ 157.8</u>	<u>\$ 147.7</u>	<u>\$ 310.2</u>
Weighted average common shares				
Outstanding	<u>255.2</u>	<u>258.2</u>	<u>255.3</u>	<u>258.2</u>
Outstanding assuming dilution	<u>261.7</u>	<u>265.7</u>	<u>260.2</u>	<u>266.0</u>

Weighted average common shares outstanding assuming dilution reflects the potential additional dilution, determined using the treasury stock method that could occur if outstanding stock options were exercised. For the second quarter of 2010, the weighted average common shares outstanding assuming dilution excludes the effect of 12.9 million outstanding stock options with an average exercise price of \$52.39 that, when taken together with related unrecognized compensation expense, are out-of-the-money. The weighted average common shares outstanding assuming dilution for the first half of 2010 excludes 12.2 million outstanding stock options with an average exercise price of \$52.55.

NOTE 10 – COMPREHENSIVE INCOME AND ACCUMULATED OTHER COMPREHENSIVE INCOME.

The following table presents the components (in millions) of comprehensive income.

	Six months ended	
	6/30/2009	6/30/2010
Net income	\$ 148.2	\$ 311.5
Other comprehensive income (loss), net of tax		
Investments in sponsored mutual funds:		
Net unrealized holding gains (losses)	59.8	(34.4)
Other than temporary impairments recognized in income	36.1	—
Net losses (gains) realized on dispositions	(1.7)	(.7)
Deferred tax benefits (income taxes)	(33.5)	13.1
Net unrealized holding gains (losses) of investments in sponsored mutual funds recognized in other comprehensive income	<u>60.7</u>	<u>(22.0)</u>
Debt securities held by savings bank subsidiary:		
Net unrealized holding gains (losses)	3.9	.9
Net losses (gains) realized on dispositions	.3	—
Deferred tax benefits (income taxes)	(1.5)	(.3)
Net unrealized holding gains of debt securities held by savings bank subsidiary recognized in other comprehensive income	<u>2.7</u>	<u>.6</u>
Total net unrealized holding gains (losses) recognized in other comprehensive income	<u>63.4</u>	<u>(21.4)</u>
Investment in UTI Asset Management Company Ltd.		
Change in currency translation gain	—	4.4
Deferred tax benefits (income taxes)	—	(1.6)
Total currency translation gain	<u>—</u>	<u>2.8</u>
Total other comprehensive income (loss)	<u>63.4</u>	<u>(18.6)</u>
Total comprehensive income	<u>\$ 211.6</u>	<u>\$ 292.9</u>

Comprehensive income for the second quarter was \$152.8 million in 2009 and \$128.3 million in 2010.

The currency translation gain results from translating our proportionate share of the financial statements of UTI, our equity method investment, into U.S. dollars. Assets and liabilities are translated into U.S. dollars using quarter-end exchange rates, and revenues and expenses are translated using weighted-average exchange rates for the period.

The components of accumulated other comprehensive income (in millions) at June 30, 2010, are presented below.

Net unrealized holding gains on	
Investments in sponsored mutual funds	\$ 124.8
Debt securities held by savings bank subsidiary	4.2
	129.0
Deferred income taxes	(48.5)
Net unrealized holding gains	\$ 80.5
Currency translation adjustment, net of deferred income taxes of \$1.6 million	2.8
Accumulated other comprehensive income	<u>\$ 83.3</u>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

T. Rowe Price Group, Inc.:

We have reviewed the condensed consolidated balance sheet of T. Rowe Price Group, Inc. and subsidiaries (“the Company”) as of June 30, 2010, the related condensed consolidated statements of income for the three- and six- month periods ended June 30, 2010 and 2009, the related condensed consolidated statements of cash flows for the six-month periods ended June 30, 2010 and 2009, and the related condensed consolidated statement of stockholders’ equity for the six-month period ended June 30, 2010. These condensed consolidated financial statements are the responsibility of the Company’s management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of T. Rowe Price Group, Inc. and subsidiaries as of December 31, 2009, and the related consolidated statements of income, stockholders’ equity, and cash flows for the year then ended (not presented herein); and in our report dated February 5, 2010, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2009, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ KPMG LLP

Baltimore, Maryland

July 23, 2010

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

### GENERAL.

Our revenues and net income are derived primarily from investment advisory services provided to individual and institutional investors in our sponsored mutual funds and other managed investment portfolios. Investment advisory clients domiciled outside the United States account for 12% of our assets under management at June 30, 2010.

We manage a broad range of U.S., international and global stock, bond, and money market mutual funds and other investment portfolios, which meet the varied needs and objectives of individual and institutional investors. Investment advisory revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets under management affect our revenues and results of operations.

We remain debt-free with substantial liquidity and resources that allows us to take advantage of attractive growth opportunities, invest in key capabilities including investment professionals and technologies and, most importantly, provide our clients with strong investment management expertise and service both now and in the future.

On January 20, 2010, we purchased a 26% equity interest in UTI Asset Management Company and an affiliate from existing stockholders for 6.5 billion Indian rupees (INR) or \$142.4 million. During the first six months of 2010, we repurchased 3.6 million shares of our common stock for \$175.1 million, \$20.6 million of which was unsettled at June 30, 2010. The amounts were funded from existing cash balances and cash generated from operations.

### BACKGROUND.

U.S. equity markets entered the second quarter of 2010 with positive momentum that continued until the end of April when most major indexes reached their highest levels since September 2008. These 2010 gains were all erased in May and June as economic, fiscal and regulatory issues weighed heavily on investor sentiment globally. In the U.S., lackluster economic and housing data in the latter part of the quarter indicated a marked slowing in the pace of recovery. This deceleration, combined with a "flash crash" in U.S. stock prices on May 6, pushed investors — many of whom were already sensitive to the risk of a "double dip" recession — into higher-grade investments. The Federal Reserve acknowledged that economic growth had slowed in recent months and reaffirmed that, with inflation and inflation expectations well contained the target funds rate would remain in a 0% to .25% range for an "extended period."

Amid this backdrop of investor concern, the S&P 500 Index of large-cap companies in leading industries of the U.S. economy posted an 11.4% loss, its worst quarterly performance since the fourth quarter of 2008, and down over 15% from its year-to-date high set in late April 2010. For the quarter, the NASDAQ Composite Index, which is heavily weighted with technology companies, declined 12.0% (excluding dividends). For the first half of 2010, these indexes decreased 6.7% and 7.1%, respectively. Despite the strong market correction in the second quarter, these major indexes remain more than 50% above their March 2009 lows.

Non-US equity markets, like their U.S. counterparts, were sharply lower in the second quarter as a significantly stronger U.S. dollar against the Euro and many other currencies further reduced returns in dollar terms. Developed markets in Europe displayed extreme volatility and posted significant losses amid expectations of slower economic growth as European Union nations implement fiscal austerity measures to ease concerns and contain the sovereign debt crisis. Emerging markets generally declined but continued to outperform other markets. The MSCI Emerging Markets Index declined 8.3% while the MSCI EAFE Index, which measures the performance of mostly large-cap stocks in Europe, Australasia and the Far East, declined 13.8%. These indexes ended the first six months of 2010 down 6.0% and 12.9%, respectively.

The market and economic uncertainty in the second quarter sent investors seeking the safety of U.S. Treasury securities. By the end of the second quarter, the yield on the benchmark 10-year U.S. Treasury had dropped 87 basis points from the March 31, 2010 levels to 2.97%, as prices rose to reflect increasing demand. On the shortest end of the yield curve, the annual yield for one-month treasury bills was .17%.

Positive returns in the second quarter for other U.S. fixed income securities added to their gains for the year. Investment-grade corporate bonds produced the strongest gains, while high yield issues were flat. The Barclays Capital U.S. Aggregate Index gained 3.5% in the second quarter and 5.3% for the first six months of 2010. The Barclays Capital Global Aggregate Ex-US Dollar Bond Index lost 2.4% in the second quarter, and 4.0% for the first half of 2010, due to the stronger dollar. For the first six months of 2010, the Credit Suisse High Yield Index gained 4.7%, while the J.P. Morgan Emerging Markets Index Plus gained 5.1%.

In this unsettled financial environment, investors entrusted net inflows of \$15.4 billion to our management during the first half of 2010, including \$5.1 billion in the second quarter. Market depreciation, net of income, of \$15.6 billion during the 2010 year-to-date period reduced June 30 assets to year-end 2009 levels. Assets under our management totaled \$391.1 billion at June 30, 2010, down 6.7% from March 31, 2010. The changes (in billions) in 2010 have occurred as follows.

	Quarter ended 3/31/2010	Quarter ended 6/30/2010	First half ended 6/30/2010
Assets under management at beginning of period	\$ 391.3	\$ 419.0	\$ 391.3
Net cash inflows			
Sponsored mutual funds in the U.S.	6.1	3.2	9.3
Other portfolios	4.2	1.9	6.1
	10.3	5.1	15.4
Market valuation changes and income	17.4	(33.0)	(15.6)
Change during the period	27.7	(27.9)	(.2)
Assets under management at end of period	\$ 419.0	\$ 391.1	\$ 391.1

Assets under management at June 30, 2010, include \$280.6 billion in stock and blended asset investment portfolios and \$110.5 billion in fixed income investment portfolios. The investment portfolios that we manage consist of \$233.5 billion in the T. Rowe Price mutual funds distributed in the United States and \$157.6 billion in other investment portfolios, including separately managed accounts, sub-advised funds, and other sponsored investment portfolios including common trust funds and mutual funds offered to investors outside the U.S. and through variable annuity life insurance plans.

We incur significant expenditures to attract new investment advisory clients and additional investments from our existing clients. These efforts involve costs that generally precede any future revenues that we might recognize from additions to our assets under management.

## RESULTS OF OPERATIONS.

### Second quarter 2010 versus second quarter 2009.

Investment advisory revenues increased 36.6%, or \$131.7 million, to \$492.0 million in the second quarter of 2010 as average assets under our management increased \$112.1 billion to \$413.5 billion. The average annualized fee rate earned on our assets under management was 47.7 basis points during the second quarter of 2010, down slightly from the 47.9 basis points earned in the second quarter of 2009, and down from the 48.1 rate earned in the year 2009. The change from the 2009 rate is a result of various offsetting factors, including higher equity market valuations, change in asset mix, money market fee waivers, and the impact of a sharp decline in asset valuations on those institutional advisory fees derived from period end assets under management. With money market yields continuing to be at very low levels in the second quarter 2010, we again voluntarily waived related advisory fees totaling \$6.4 million in order to maintain a positive yield for fund investors. We waived these fees beginning in 2009 and anticipate that such fee waivers could continue for the remainder of 2010.

Net revenues increased \$135.2 million, or 30.6%, to \$577.4 million. Operating expenses of \$324.3 million in the second quarter of 2010 were up \$36.0 million, or 12.5% from the comparable 2009 quarter. Overall, net operating income of \$253.1 million for the second quarter of 2010 was 64.5% higher than the \$153.9 million earned in 2009 quarter. The significant market recovery over the last twelve months, which increased our average assets under management and resulting advisory revenue, resulted in our second quarter 2010 operating margin increasing to 43.8% from 34.8% in the comparable 2009 quarter. Net income increased \$58.5 million from the second quarter of 2009 to \$158.5 million and diluted earnings per share on our common stock increased 55.3% to \$.59 from \$.38 in the 2009 quarter.

Investment advisory revenues earned from the T. Rowe Price mutual funds distributed in the U.S. increased 37.8%, or \$94.0 million, to \$342.8 million. Average mutual fund assets under management in the second quarter of 2010 were \$247.4 billion, an increase of 37.8% from the average for the comparable 2009 quarter. Mutual fund assets at June 30, 2010 were \$233.5 billion, a decrease of 6.4% or \$16.0 billion from the end of March 2010, and \$13.9 billion lower than the second quarter 2010 average. Ending mutual fund assets are relatively flat to the \$232.7 billion at the end of 2009.

Net inflows to the mutual funds were \$3.2 billion during the second quarter of 2010, including \$1.7 billion that originated in our target-date Retirement Funds. Our stock funds had net inflows of \$1.8 billion, including \$600 million into the Value Fund and \$400 million into each of the International Growth and Income and Growth Stock funds. Net inflows into the bond and money market funds were \$1.4 billion. The Short-Term Bond and Emerging Markets Bond funds each received \$300 million of net flows. Market depreciation, net of income, reduced our mutual fund assets under management by \$19.2 billion during the second quarter of 2010.

Investment advisory revenues earned on the other investment portfolios that we manage increased \$37.7 million, or 33.8%, from the second quarter of 2009, to \$149.2 million. Average assets in these portfolios were \$166.1 billion during the second quarter of 2010, an increase of \$44.3 billion, or 36.4%, from the 2009 quarter. Ending assets at June 30, 2010 were \$157.6 billion, down \$11.9 billion from the end of March 2010, and \$8.5 billion lower than the second quarter 2010 average. Net inflows, primarily from third-party financial intermediaries and institutional investors outside the United States, were \$1.9 billion in the 2010 quarter. Market depreciation, net of income, lowered assets under management in these portfolios by \$13.8 billion.

Administrative fees increased \$3.4 million from the second quarter of 2009 to \$84.7 million. This change includes a \$3.2 million increase in 12b-1 distribution and service fees recognized on higher average assets under management in the Advisor and R classes of our sponsored mutual funds. Changes in administrative fees are generally offset by a similar change in the related operating expenses that are incurred to distribute Advisor and R class fund shares through third party intermediaries and to provide services to the funds and their investors.

Our largest expense, compensation and related costs, increased \$15.4 million, or 7.7%, compared to the second quarter of 2009. This increase is attributable to a \$15.4 million increase in our annual variable compensation programs, which are based on our operating results and other factors such as our relative risk-adjusted investment performance, our growth in assets under management and net investor inflows, and the high quality of our investor services. Increases in other employee benefits and temporary employment expenses were offset by the impact of the nonrecurring severance costs recognized in the second quarter of 2009. At June 30, 2010, we employed 4,862 associates, virtually unchanged from a year ago and up slightly from the 4,802 associates employed at the end of 2009.

Advertising and promotion expenditures were up \$6.4 million, or 46.7%, compared to the second quarter of 2009 as improved investor sentiment over the last twelve months prompted us to increase our spending. We currently expect that our advertising and promotion expenditures for the third quarter of 2010 will be in line with the second quarter 2010 and spending for the full year 2010 could increase up to 30% from 2009. We vary our level of spending based on market conditions and investor demand as well as our efforts to expand our investor base in the United States and abroad.

Other operating expenses increased \$13.9 million, or 41.0%, from the second quarter of 2009, including an increase of \$3.2 million in distribution and service expenses recognized on higher average assets under management in our Advisor and R classes of mutual fund shares that are sourced from financial intermediaries. These costs are offset by an equal increase in our administrative revenues recognized from the 12b-1 fees discussed above. The remaining increase is a result of other operating costs, including travel costs, consulting fees and other professional services, incurred to meet increasing business demands.

Our non-operating investment activity, which includes interest income as well as the recognition of investment gains and losses, resulted in a net gain of \$3.9 million in the second quarter of 2010, a decrease of \$4.0 million from the comparable 2009 quarter. The 2009 quarter includes \$2.5 million of foreign currency exchange rate gains and \$2.2 million in investment gains realized on the sale of mutual fund investments that did not reoccur in the 2010 quarter. The second quarter 2010 includes \$1.0 million, which represents our share of UTI's net earnings.

The second quarter 2010 provision for income taxes as a percentage of pretax income is 38.3%, up from our prior estimate for the full year 2010 of 37.8% because of certain discrete period adjustments made to our prior years' tax accruals and changes in our expected rates. We currently estimate that our effective tax rate for the full year 2010 will be 38.0%.

#### First half 2010 versus first half 2009.

Investment advisory revenues were up 44.5%, or \$296.7 million, to \$963.8 million in the first half of 2010 as average assets under our management increased \$122.0 billion to \$405.2 billion. The average annualized fee rate earned on our assets under management was 48.0 basis points during the first six months of 2010, up from the 47.5 basis points earned during the comparable 2009 period and virtually unchanged from the 2009 year. The change from the first half of 2009 is a result of higher market valuations increasing the percentage of our assets under management being attributable to higher fee equity portfolios. We have waived \$13.2 million in money market advisory fees for the six months of 2010.

Net revenues increased \$306.9 million, or 37.1%, to \$1,133.6 million. Operating expenses grew \$79.6 million to \$641.8 million in the first six months of 2010, an increase of 14.2% from the comparable 2009 period. Overall, net operating income for the first half of 2010 increased \$227.3 million, or 85.9%, to \$491.8 million. Our operating margin for the first half of 2010 was 43.4%, up from 32.0% for the 2009 period. Our net income of \$311.5 million for the first six months of 2010 was more than double the \$148.2 million earned in the 2009 period. Diluted earnings per share on our common stock is \$1.17, an increase of \$.60 from \$.57 earned in the first six months of 2009.

Investment advisory revenues earned from the T. Rowe Price mutual funds distributed in the United States increased 45.1%, or \$207.7 million, to \$668.2 million. Year-to-date 2010 average mutual fund assets were \$242.4 billion, an increase of 43.9% from the average for the comparable 2009 period. Market depreciation, net of income, of \$8.5 billion offsets nearly all of the \$9.3 billion of net inflows in the first half of 2010. Our stock and blended asset funds saw net inflows of \$5.2 billion. The Value, Mid-Cap Value, Equity Index 500, International Growth and Income, and Mid-Cap Growth funds each added at least \$500 million for a total of \$3.7 billion in net investments. Our bond funds added \$4.5 billion of net inflows, including \$1.2 billion to the New Income Fund and \$900 million to the Short-Term Bond Fund, and our money market funds had net outflows of \$400 million. During the 2010 period, net inflows of \$4.1 billion originated in our target-date Retirement Funds.

Investment advisory revenues earned on the other investment portfolios that we manage increased \$89.0 million, or 43.1%, to \$295.6 million. Average assets in these portfolios were \$162.8 billion during the first six months of 2010, up \$48.1 billion, or 41.9%, from the 2009 period. Assets in these portfolios at June 30, 2010, were relatively flat to year-end 2009, as market losses, net of income, of \$7.1 billion offset the \$6.1 billion in net inflows from institutional investors outside the U.S. and third-party financial intermediaries.

Administrative fees increased \$9.6 million to \$168.3 million during the first six months of 2010. The change in these revenues includes a \$7.2 million increase of 12b-1 distribution and service fees recognized on higher assets under management in the Advisor and R classes of our sponsored mutual funds. The balance of the change is attributable to an increase in our transfer agent service and defined contribution plan recordkeeping service activities.

Our largest expense, compensation and related costs, increased \$47.7 million, or 12.7%, compared to the first six months of 2009. The largest part of the increase is attributable to a \$43.8 million increase in our interim accrual for our annual variable compensation programs. Higher other employee benefits and employee related costs for the first half of 2010 were offset by lower salaries resulting from our average head count decreasing 7.2% from the 2009 period and the impact of the nonrecurring severance costs recognized in the first half of 2009.

Advertising and promotion expenditures were up \$7.2 million, or 19.8%, compared to the first half of 2009 due to improved investor sentiment in the last twelve months.

Depreciation and amortization expense together with occupancy and facility costs were down \$.7 million versus the 2009 period as we continued to manage infrastructure costs prudently.

Other operating expenses increased \$25.4 million, or 37.6%, from the first six months of 2009, including an increase of \$7.2 million in distribution and service expenses recognized on higher average assets under management in our Advisor and R classes of mutual fund shares that are sourced from financial intermediaries. These costs are offset by an equal increase in our administrative revenues recognized from the 12b-1 fees discussed above. The remaining increase is a result of other operating costs, including travel costs, consulting fees and other professional services, incurred to meet increasing business demands.

Our non-operating investment income activity resulted in a net gain of \$9.2 million for the first six months of 2010 compared to a net loss of \$28.1 million in the 2009 period. This change of \$37.3 million includes \$36.1 million in other than temporary impairments recognized on our investments in sponsored mutual funds in the first half of 2009. The change also includes \$2.2 million in gains recognized in the 2010 period for the settlement and valuation of a series of non-deliverable forward contracts used to economically hedge the foreign currency exposure associated with the UTI acquisition price.

## CAPITAL RESOURCES AND LIQUIDITY.

Operating activities during the first half of 2010 provided cash flows of \$452.2 million, up \$182.4 million from 2009, including a \$163.3 million increase in net income and a \$58.5 million increase in timing differences in the cash settlement of our assets and liabilities. These increases are offset by the impact of \$36.1 million in other than temporary impairments of our investments in sponsored mutual funds that were experienced in the first six months of 2009 and did not reoccur in 2010. Our interim operating cash outflows do not include bonus compensation that is accrued throughout the year before being substantially paid out in December.

Net cash used in investing activities totaled \$223.0 million, up \$158.5 million from the 2009 period, primarily from the purchase of a 26% equity interest in UTI for \$142.4 million plus related transaction costs incurred in the 2010 period of \$1.2 million. We made net investments into our sponsored mutual funds in 2010 of nearly \$6.0 million compared to \$15.0 in net dispositions made during the 2009 period to rebalance our mutual fund portfolio in light of market conditions.

Net cash used in financing activities was \$237.4 million in the first half 2010, up \$80.4 million from the 2009 period. We increased our stock repurchases by expending \$95.6 million more than in the first half of 2009. Cash proceeds from option exercises were up \$24.7 million in 2010 compared to 2009 as the higher market valuations of our common stock experienced in the early part of 2010 led employees to exercise.

Our cash and mutual fund investments at June 30, 2010 were \$1.4 billion, and we have no debt. Given the availability of these financial resources, we do not maintain an available external source of liquidity. We anticipate property and equipment expenditures for the full year 2010 to be about \$150 million and expect to fund them from our cash balances.

## NEW ACCOUNTING STANDARDS.

We have considered all other newly issued accounting guidance that is applicable to our operations and the preparation of our consolidated statements, including that which we have not yet adopted. We do not believe that any such guidance will have a material effect on our financial position or results of operation.

## FORWARD-LOOKING INFORMATION.

From time to time, information or statements provided by or on behalf of T. Rowe Price, including those within this report, may contain certain forward-looking information, including information or anticipated information relating to: our revenues, net income and earnings per share on common stock; changes in the amount and composition of our assets under management; our expense levels and possible expense savings; our estimated effective income tax rate; and our expectations regarding financial markets, future transactions and investments, and other conditions. Readers are cautioned that any forward-looking information provided by or on behalf of T. Rowe Price is not a guarantee of future performance. Actual results may differ materially from those in forward-looking information because of various factors including, but not limited to, those discussed below and in Item 1A, Risk Factors, of our Form 10-K Annual Report for 2009. Further, forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events.

Our future revenues and results of operations will fluctuate primarily due to changes in the total value and composition of assets under our management. Such changes result from many factors including, among other things: cash inflows and outflows in the T. Rowe Price mutual funds and other managed investment portfolios; fluctuations in global financial markets that result in appreciation or depreciation of the assets under our management; our introduction of new mutual funds and investment portfolios; and changes in retirement savings trends relative to participant-directed investments and defined contribution plans. The ability to attract and retain investors' assets under our management is dependent on investor sentiment and confidence; the relative investment performance of the Price mutual funds and other managed investment portfolios as compared to competing offerings and market indexes; the ability to maintain our investment management and administrative fees at appropriate levels; competitive conditions in the mutual fund, asset management, and broader financial services sectors; and our level of success in implementing our strategy to expand our business. Our revenues are substantially dependent on fees earned under contracts with the Price funds and could be adversely affected if the independent directors of one or more of the Price funds terminated or significantly altered the terms of the investment management or related administrative services agreements. Non-operating investment income (loss) will also fluctuate primarily due to the size of our investments and changes in their market valuations.

Our future results are also dependent upon the level of our expenses, which are subject to fluctuation for the following or other reasons: changes in the level of our advertising expenses in response to market conditions, including our efforts to expand our investment advisory business to investors outside the United States and to further penetrate our distribution channels within the United States; variations in the level of total compensation expense due to, among other things, bonuses, stock option grants, other incentive awards, changes in our employee count and mix, and competitive factors; any goodwill impairment that may arise; fluctuation in foreign currency exchange rates applicable to our investment in and the costs of our international operations; expenses and capital costs, such as technology assets, depreciation, amortization, and research and development, incurred to maintain and enhance our administrative and operating services infrastructure; unanticipated costs that may be incurred to protect investor accounts and the goodwill of our clients; and disruptions of services, including those provided by third parties, such as facilities, communications, power, and the mutual fund transfer agent and accounting systems.

Our business is also subject to substantial governmental regulation, and changes in legal, regulatory, accounting, tax, and compliance requirements may have a substantial effect on our operations and results, including but not limited to effects on costs that we incur and effects on investor interest in mutual funds and investing in general, or in particular classes of mutual funds or other investments.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There has been no material change in the information provided in Item 7A of the Form 10-K Annual Report for 2009.

### Item 4. Controls and Procedures.

Our management, including our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2010. Based on that evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures as of June 30, 2010, are effective at the reasonable assurance level to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, including this Form 10-Q quarterly report, is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our principal executive and principal financial officers, has evaluated any change in our internal control over financial reporting that occurred during the second quarter of 2010, and has concluded that there was no change during the second quarter of 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. Legal Proceedings.

From time to time, various claims against us arise in the ordinary course of business, including employment-related claims. In the opinion of management, after consultation with counsel, the likelihood that an adverse determination in one or more pending claims would have a material adverse effect on our financial position or result of operations is remote.

### Item 1A. Risk Factors.

There has been no material change in the information provided in Item 1A of our Form 10-K Annual Report for 2009.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) Repurchase activity during the second quarter of 2010 conducted pursuant to the Board of Directors' June 5, 2008, authorization follows.

<u>Month</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Program</u>	<u>Maximum Number of Shares that May Yet Be Purchased Under the Program</u>
April	—	—	—	11,743,506
May	1,500,000	\$ 50.70	1,500,000	10,243,506
June	1,398,729	\$ 47.41	1,398,729	8,844,777
Total	<u>2,898,729</u>	<u>\$ 49.11</u>	<u>2,898,729</u>	

### Item 5. Other Information.

On July 23, 2010, we issued a press release reporting our results of operations for the second quarter of 2010. A copy of that press release is furnished herewith as Exhibit 99. This information shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

## Item 6. Exhibits.

The following exhibits required by Item 601 of Regulation S-K are furnished herewith.

- 3(i).1 Charter of T. Rowe Price Group, Inc., as Amended by Articles of Amendment dated April 10, 2008. (Incorporated by reference from Form 10-Q Report for the quarterly period ended March 31, 2008; Accession No. 0000950133-08-001597).
- 3(ii) Amended and Restated By-Laws of T. Rowe Price Group, Inc. as of February 12, 2009. (Incorporated by reference from Form 8-K Current Report as of February 17, 2009; Accession No. 0000950133-09-000369).
- 10.03 Transfer Agency and Service Agreement as of January 1, 2010, between T. Rowe Price Services, Inc. and the T. Rowe Price Funds. (Incorporated by reference from Form 485BPOS; Accession No. 0000887147-09-000006.)
- 10.04 Agreement as of January 1, 2010, between T. Rowe Price Retirement Plan Services, Inc. and certain of the T. Rowe Price Funds. (Incorporated by reference from Form 485BPOS; Accession No. 0000887147-09-000006.)
- 10.14.2 HM Revenue and Customs Approved Sub-Plan for UK Employees under the 2004 Stock Incentive Plan.
- 10.15 Forms of agreements available for stock-based awards issued under the 2001 and 2004 Stock Incentive Plans.
- 10.15.1 Form of agreement for stock options issued under the HM Revenue and Customs Approved Sub-Plan for UK Employees under the 2004 Stock Incentive Plan.
- 15 Letter from KPMG LLP, independent registered public accounting firm, re unaudited interim financial information.
- 31(i).1 Rule 13a-14(a) Certification of Principal Executive Officer.
- 31(i).2 Rule 13a-14(a) Certification of Principal Financial Officer.
- 32 Section 1350 Certifications.
- 99 Press release issued July 23, 2010, reporting our results of operations for the second quarter of 2010.
- 101 The following series of unaudited XBRL-formatted documents are collectively included herewith as Exhibit 101. The financial information is extracted from T. Rowe Price Group's unaudited condensed consolidated interim financial statements and notes that are included in this Form 10-Q Report.
  - 101.INS XBRL Instance Document (File name: trow-20100630.xml).
  - 101.SCH XBRL Taxonomy Extension Schema Document (File name: trow-20100630.xsd).
  - 101.CAL XBRL Taxonomy Calculation Linkbase Document (File name: trow-20100630\_cal.xml).
  - 101.LAB XBRL Taxonomy Label Linkbase Document (File name: trow-20100630\_lab.xml).
  - 101.PRE XBRL Taxonomy Presentation Linkbase Document (File name: trow-20100630\_pre.xml).
  - 101.DEF XBRL Taxonomy Definition Linkbase Document (File name: trow-20100630\_def.xml).

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on July 23, 2010.

T. Rowe Price Group, Inc.

by: /s/ Kenneth V. Moreland  
Vice President and Chief Financial Officer

**T. ROWE PRICE GROUP, INC.**  
**2004 STOCK INCENTIVE PLAN**  
**HM REVENUE AND CUSTOMS APPROVED RULES FOR UK EMPLOYEES**  
**("THE SUB-PLAN")**

Adopted by the Company on:

Approved by the HM Revenue and Customs on:

HM Revenue and Customs reference no:

**PricewaterhouseCoopers**

**Plumtree Court**

**London**

**EC4A 4HT**

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## SCHEDULE

### T. ROWE PRICE GROUP, INC. 2004 STOCK INCENTIVE PLAN HM REVENUE AND CUSTOMS APPROVED RULES FOR UK EMPLOYEES ("THE SUB-PLAN")

1. **General**

This schedule to T. Rowe Price Group, Inc. 2004 Stock Incentive Plan ("the Plan") and appended Statement of Additional Terms and Conditions regarding the Annual Option Grants ("the Terms") sets out the HM Revenue and Customs Approved Rules for UK Employees (together referred to as "the Sub-Plan").

2. **Establishment of Sub-Plan**

T. Rowe Price Group, Inc. ("the Company") has established the Sub-Plan under Section 3 of the Plan<sup>1</sup> which authorises the Administrator to adopt and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan.

3. **Purpose of Sub-Plan**

The purpose of the Sub-Plan is to enable the grant to, and subsequent exercise by, employees and directors in the United Kingdom, on a tax favoured basis, of options to acquire shares in the Company under the Plan.

4. **HM Revenue and Customs approval of Sub-Plan**

The Sub-Plan is intended to be approved by HM Revenue and Customs under Schedule 4 to ITPEA 2003.

5. **Rules of Sub-Plan**

The rules of the Plan, in their present form and as amended from time to time, shall, with the modifications set out in this schedule, form the rules of the Sub-Plan. In the event of any conflict between the rules of the Plan and this schedule, the schedule shall prevail.

6. **Relationship of Sub-Plan to Plan**

The Sub-Plan shall form part of the Plan and not a separate and independent plan.

7. **Interpretation**

In the Sub-Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

<b>Acquiring Company</b>	a company which obtains Control of the Company in the circumstances referred to in rule 26;
<b>Approval Date</b>	the date on which the Sub-Plan is approved by HM Revenue and Customs under Schedule 4 to ITEPA 2003;
<b>Associated Company</b>	the meaning given to that expression by paragraph 35 of Schedule 4 to ITEPA 2003; <sup>2</sup>
<b>Close Company</b>	the meaning given to that expression by 414(1) of ICTA as referred by paragraph 37 of Schedule 4 to, ITEPA 2003; <sup>3</sup>
<b>Consortium</b>	the meaning given to that word by paragraph 36(2) of Schedule 4 to ITEPA 2003; <sup>4</sup>
<b>Control</b>	the meaning given to that word by section 719 of ITEPA 2003 and “Controlled” shall be construed accordingly; <sup>5</sup>
<b>Date of Grant</b>	the date on which an Option is granted to an Eligible Employee determined in accordance with Section 6(b) of the Plan;
<b>Eligible Employee</b>	<p>an individual who falls within Section 5 of the Plan and who is:</p> <ul style="list-style-type: none"> <li>(a) an employee (other than a director) of the Company or a company participating in the Sub-Plan; or</li> <li>(b) a director of the Company or a company participating in the Sub-Plan who is contracted to work at least 25 hours per week for the Company and its subsidiaries or any of them (exclusive of meal breaks)</li> </ul> <p>and who, in either case, does not have at the Date of Grant of an Option, and has not had during the preceding twelve months, a Material Interest in a Close Company which is the Company or a company which has Control of the Company or a member of a Consortium which owns the Company;</p>
<b>Grantee</b>	An individual who holds an Option, or where

the context permits, his legal personal representatives;

**ITA 2007**

The Income Tax Act 2007;

**ITEPA 2003**

the Income Tax (Earnings and Pensions Act 2003);

**Market Value**

notwithstanding Section 2(k) of the Plan

(a) in the case of an Option granted under the Sub Plan:

- (i) if at the relevant time the Shares are listed on The NASDAQ Stock Market, the NASDAQ Official Closing Price (NOCP) for the Date of Grant of the Option, or if no reported price for that day, the preceding day for which there was a reported price (or in the event Shares are no longer listed on The NASDAQ Stock Market but instead are listed on another stock exchange registered with the Securities and Exchange Commission of the United States as a national securities exchange, the comparable last or closing selling price on that exchange);<sup>6</sup>
- (ii) if paragraph (i) does not apply, the market value of a Share as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance with HM Revenue and Customs Shares Valuation on the Date of Grant of the Option or such earlier date or dates as may be agreed with HM Revenue and Customs;

(b) in the case of an option granted under any other share option scheme, the market value of an ordinary share in the capital of the Company determined under the rules of such scheme for the purpose of the grant of the option;

**Material Interest**

The meaning given to that expression by

paragraphs 9 to 14 of Schedule 4 to ITEPA 2003;<sup>7</sup>

<b>New Option</b>	an option granted by way of exchange under rule 26.1;
<b>New Shares</b>	the shares subject to a New Option referred to in rule 26.1;
<b>Option</b>	a subsisting right to acquire Shares granted under the Sub-Plan;
<b>Ordinary Share Capital</b>	the meaning given to that expression by section 989 of ITA 2007;
<b>Shares</b>	ordinary shares of Common Stock of the Company, par value twenty cents (\$0.20) per share.

In this schedule, unless the context otherwise requires:

- words and expressions not defined above have the same meanings as are given to them in the Plan;
- the rule headings are inserted for ease of reference only and do not affect their interpretation;
- a reference to a rule is a reference to a rule in this schedule;
- the singular includes the plural and vice-versa and the masculine includes the feminine; and
- a reference to a statutory provision is a reference to a United Kingdom statutory provision and includes any statutory modification, amendment or re-enactment thereof.

**8. Companies participating in Sub-Plan**

The companies participating in the Sub-Plan shall be the Company and any company Controlled by the Company which has been nominated by the Company to participate in the Sub-Plan.

**9. Shares used in Sub-Plan**

The Shares shall form part of the Ordinary Share Capital of the Company and shall at all times comply with the requirements of paragraphs 16 to 20 of Schedule 4 to ITEPA 2003.<sup>8</sup>

**10. Grant of Options**

An option granted under the Sub-Plan shall be granted under and subject to the rules of the Plan as modified by this schedule.

**11. Identification of Options**

A Grant Agreement issued in respect of an Option shall expressly state that it is issued in respect of an Option. An option which is not so identified shall not constitute an Option.

**12. Contents of Grant Agreement**

A Grant Agreement, being the Sub-Plan, Terms and Notice taken together, also referred to in the Sub-Plan as the “Agreement”, will be issued in respect of an Option and shall state:

- that it is issued in respect of an Option;
- the date of grant of the Option;
- the number of Shares subject to the Option;
- the exercise price under the Option;
- any performance target or other condition imposed on the exercise of the Option;
- the date(s) on which the Option will ordinarily become exercisable; and
- the period during which an Option shall remain exercisable following termination of employment.

**13. Earliest date for grant of Options**

An Option may not be granted earlier than the Approval Date.

**14. Persons to whom Options may be granted**

Notwithstanding the provisions of Section 5 of the Plan, an Option may not be granted to an individual who is not an Eligible Employee at the Date of Grant.

**15. Options non transferable**

An Option shall be personal to the Eligible Employee to whom it is granted and, subject to rule 25, shall not be capable of being transferred, charged or otherwise alienated and shall lapse immediately if the Grantee purports to transfer, charge or otherwise alienate the Option.

Reference in Section 7(b) of the Plan to transfers by a Grantee otherwise than by will or the laws of descent and distribution shall be disappplied for the purposes of the Sub-Plan.

**16. Limit on number of Shares placed under Option under Sub-Plan**

For the avoidance of doubt, Shares placed under Option under the Sub-Plan shall be taken into account for the purpose of Section 4 of the Plan.

**17. HM Revenue and Customs limit (£30,000)**

An Option may not be granted under this Sub-Plan to an Eligible Employee if the result of granting the Option would be that the aggregate Market Value of the shares subject to all outstanding options granted to him under the Sub-Plan or any other share option scheme established by the Company or an Associated Company and approved by HM Revenue and Customs under Schedule 4 to ITEPA 2003 (other than a savings related share option scheme) would exceed sterling £30,000 or such other limit as may from time to time be specified in paragraph 6 of Schedule 4 to ITEPA 2003<sup>9</sup>. For this purpose, the United Kingdom sterling equivalent of the market value of a share on any day shall be determined by taking the spot sterling/US dollar exchange rate for that day as shown in the Wall Street Journal. If the grant of an Option would otherwise cause the limit in this rule 17 to be exceeded, it shall take effect as the grant of an option under the Plan.

**18. Exercise price under Options**

The amount payable per Share on the exercise of an Option shall not be less than the Market Value of a Share on the Date of Grant and shall be stated on the Date of Grant.

**19. Performance target or other condition imposed on exercise of Option**

Any performance target or other condition imposed on the exercise of an Option under Sections 3(b)(ii) (D) and 6(a) of the Plan, shall be:

19.1 objective;

19.2 such that, once satisfied, the exercise of the Option is not subject to the discretion of any person; and

19.3 stated on the Date of Grant.

If an event occurs as a result of which the Administrator considers that a performance target or other condition imposed on the exercise of an Option is no longer appropriate and substitutes, varies or waives under Section 3(c) of the Plan the performance target or condition, such substitution, variation or waiver shall:

19.4 be reasonable in the circumstances; and

19.5 produce a fairer measure of performance and be neither more nor less difficult to satisfy.

**20. Exercise of Options by leavers**

The period during which an Option shall remain exercisable following termination of employment, shall be stated in the Grant Agreement.

**21. Latest date for exercise of Options**

Notwithstanding rule 25 the period during which an Option shall remain exercisable shall be stated in the Grant Agreement and any Option not exercised by that time shall lapse immediately.

**22. Material Interest**

An Option may not be exercised if the Grantee then has, or has had within the preceding twelve months, a Material Interest in a Close Company which is the Company or which is a company which has Control of the Company or which is a member of a Consortium which owns the Company.

**23. Manner of payment for Shares on exercise of Options**

Paragraph 3 of the Terms provides for the method of exercising the Option and payment of the exercise price, together with any amounts due under rule 30. Notwithstanding any provisions of the Plan, the amount may not be paid by the transfer to the Company of Shares or any other shares or securities.

**24. Issue or transfer of Shares on exercise of Options**

Subject to compliance by the Grantee with the rules of the Sub-Plan and to any delay necessary to complete or obtain:

24.1 the listing of the Shares on any stock exchange on which Shares are then listed; or

24.2 such registration or other qualification of the Shares under any applicable law, rule or regulation as the Company determines is necessary or desirable.

The Company shall, as soon as reasonably practicable and in any event not later than thirty days after the date of exercise of an Option, issue or transfer to the Grantee, or procure the issue or transfer to the Grantee of, the number of Shares specified in the notice of exercise and shall deliver to the Grantee, in the case of the partial exercise of an Option, a Grant Agreement in respect of, or the original Grant Agreement endorsed to show, the unexercised part of the Option, subject only to:

24.3 the making of provision for the payment or withholding of any taxes required to be withheld in accordance with any applicable law in respect of the exercise of the Option or the receipt of the Shares.

24.4 Notwithstanding Section 6(a) of the Plan, deferral of the individual's delivery of Shares that would otherwise be due to such individual by virtue of the exercise of the Option is disappplied for the purposes of the Sub-Plan.

Unless and until the Grantee requests the Company to deliver a share certificate to the Grantee, or deliver Shares electronically or in certificate form to the Grantee's designated broker, bank or nominee on the Grantee's behalf, the Company will retain the Shares that the Grantee purchased through exercise of the Option in uncertificated book entry form.

**25. Death of Grantee**

If a Grantee dies, his personal representatives shall be entitled to exercise his Options for the period stated in the Grant Agreement, but in no event later than the twelve month period following his death. If not so exercised, the Options shall lapse immediately.

**26. Change in Control of Company**

**26.1 Exchange of Options**

If a company ("Acquiring Company") obtains Control of the Company as a result of making:

26.1.1 a general offer to acquire the whole of the issued ordinary share capital of the Company which is made on a condition such that if it is satisfied the person making the offer will have Control of the Company; or

26.1.2 a general offer to acquire all the shares in the Company of the same class as the Shares

a Grantee may, at any time during the period set out in rule 26.2, by agreement with the Acquiring Company, release his Option in whole or in part in consideration of the grant to him of a new option ("New Option") which is equivalent to the Option but which relates to shares ("New Shares") in:

26.1.3 the Acquiring Company;

26.1.4 a company which has Control of the Acquiring Company; or

26.1.5 a company which either is, or has Control of, a company which is a member of a Consortium which owns either the Acquiring Company or a company having Control of the Acquiring Company.

**26.2 Period allowed for exchange of Options**

The period referred to in rule 26.1 is the period of six months beginning with the time when the person making the offer has obtained Control of the Company and any condition subject to which the offer is made has been satisfied.

**26.3 Meaning of "equivalent"**

The New Option shall not be regarded for the purpose of this rule 26 as equivalent to the Option unless:

26.3.1 the New Shares satisfy the conditions in paragraphs 16 to 20 of Schedule 4 to ITEPA 2003; and

26.3.2 save for any performance target or other condition imposed on the exercise of the Option, the New Option will be exercisable in the same manner as the Option and subject to the provisions of the Sub-Plan as it had effect immediately before the release of the Option; and

26.3.3 the total market value, immediately before the release of the Option, of the Shares which were subject to the Option is equal to the total market value, immediately after the grant of the New Option, of the New Shares (market value being determined for this purpose in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992); and

26.3.4 the total amount payable by the Grantee for the acquisition of the New Shares under the New Option is equal to the total amount that would have been payable by the Grantee for the acquisition of the Shares under the Option.

**26.4 Date of grant of New Option**

The date of grant of the New Option shall be deemed to be the same as the Date of Grant of the Option.

**26.5 Application of Sub-Plan to New Option**

In the application of the Sub-Plan to the New Option, where appropriate, references to “Company” and “Shares” shall be read as if they were references to the company to whose shares the New Option relates and the New Shares, respectively, save that in the definition of “Administrator” the reference to “Company” shall be read as if it were a reference to T. Rowe Price Group, Inc.

**27. Rights attaching to Shares issued on exercise of Options**

All Shares issued on the exercise of an Option shall, as to any voting, dividend, transfer and other rights, including those arising on a liquidation of the Company, rank equally in all respects and as one class with the Shares in issue at the date of such exercise save as regards any rights attaching to such Shares by reference to a record date prior to the date of such exercise.

**28. Adjustment of Options**

Notwithstanding Sections 3(b)(ii)(E) and 7(c) of the Plan, no adjustment of an Option made pursuant to rule 8 of the Terms shall take effect until it has been approved by HM Revenue and Customs.

## 29 **Tax and social security withholding**

- 29.1 Where, in relation to the exercise of an Option granted under the Sub-Plan the Company or, if different, the Grantee's employing company, is liable, or is in accordance with current practice believed to be liable, to account to any revenue or other authority for any sum in respect of any tax or social security liability of the Grantee, the Option may not be exercised unless the Grantee has beforehand paid to the Company or such employing company an amount sufficient to discharge the liability. Alternatively, the Grantee may, by agreement with the Company, enter into some other arrangement to ensure that such amount is available to it (for example, by authorising the sale of some or all of the Shares subject to his Option and the payment to the Company or such employing company of the requisite amount out of the proceeds of sale). Where this is the case the Option shall not be treated as exercised until the Company determines that such arrangements are satisfactory to it.
- 29.2 The Company may, at its discretion, impose requirements for the payment by the Grantee of all or any part of the employer's National Insurance Contributions liability that may arise as a result of the exercise of his Option ("Employer's NIC"). Such requirements may include in particular, but not by way of limitation, a determination that the Option may not be exercised unless the Grantee has beforehand paid to the Company (or, if different, the Grantee's employing company) an amount sufficient to discharge all or any part of the Employer's NIC, as appropriate. Alternatively, the Grantee may, by agreement with the Company enter into some other arrangement to ensure that such amount is available to them or it (for example, by authorising the sale of some or all of the Shares subject to his Option and the payment to the Company of the requisite amount out of the proceeds of sale). Where this is the case the Option shall not be treated as exercised until the Company determines that such arrangements are satisfactory to it.
- 29.3 The Company may require a Grantee to execute a copy of the Grant Agreement or some other document in order to bind himself contractually to any such arrangement as is referred to in rule 29.1 and/or 29.2 and return the executed document to the Company by a specified date. Failure to return the executed document by the specified date being no more than 30 days after the Date of Grant shall cause the Option to lapse.

## 30. **Exercise of discretion by Administrator**

In exercising any discretion which it may have under the Sub-Plan, the Administrator shall act fairly and reasonably.

## 31. **Disapplication of certain provisions of Plan**

31.1 The provisions of the Plan dealing with:

- stock appreciation rights;

- stock awards;
- incentive stock options (unless an Option is also designated to be an incentive stock option at the Date of Grant under Clause 15 of the Statement of Additional Terms and Conditions relating to Option grants under the Sub-Plan);
- the authority of the Administrator to accelerate or otherwise change the time in which an Option may be exercised or becomes payable and waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to such Option, as outlined in section 3(b)(ii)(D) of the Plan;
- awards in substitution for stock options granted by other entities, as outlined in Section 7(d) of the Plan; and
- reference in Section 7(c)(i) of the Plan to "... or the payment of a stock dividend";
- the provisions of 7(c)(ii) of the Plan;
- the provisions of 3(b)(ii)(E) of the Plan; and
- the provisions of 3(b)(ii)(F) of the Plan

shall not form part of, and no such rights may be granted under, the Sub-Plan

31.2 In rule 6 (a) of the Plan ("Awards in General") the words "The Administrator may permit or require a recipient of an Award to defer such individual's receipt of the payment of cash or the delivery of Common Stock that would otherwise be due to such individual by virtue of the exercise of, payment of, or lapse or waiver of restrictions respecting, any Award. If any such payment deferral is required or permitted, the Administrator shall, in its sole discretion, establish rules and procedures for such payment deferrals." shall be disapplied and of no effect.

#### Notes

- 1 The Company is the "scheme organiser" as defined in paragraph 2 of Schedule 4 to ITEPA 2003 because it has established the Sub-Plan. In most cases, it will also be the Company which grants options under the Sub-Plan, although this is not a requirement of UK tax legislation.
- 2 A company is treated as another's "associated company" at a given time if, at that time or at any other time within one year previously, one of the two has control of the other, or both are under the control of the same person or persons. A person is taken to have control of a company if he exercises, or is able to exercise or is entitled to acquire, direct or indirect control over the company's affairs and, in particular, if

he possesses or is entitled to acquire the greater part of the company's issued share capital or the voting power in the company. UK tax legislation contains two definitions of control: the definition of control here is different from that in paragraph 4 below.

- 3 A close company is a company which is under the control (as defined in paragraph 1 above) of five or fewer participators (eg shareholders) or of any number of participators who are directors. There are attributed to a participator all the rights and powers (eg shares, voting power) of, inter alia, a company which he controls or of an "associate" (eg relative) of his. Ordinarily, a company is excluded from being a close company if it is non UK resident or 35% of the voting power in the company is held by the public and its shares have been listed, and the subject of dealings, on a recognised stock exchange within the preceding 12 months. However, for the purpose of the material interest test (see paragraph 5 below), this exclusion does not apply with the result that the normal definition of a "close company" is extended.
- 4 A company is a member of a consortium owning another company if it is one of a number of companies which between them beneficially own not less than three-quarters of the other company's ordinary share capital and each of which beneficially owns not less than one-twentieth of that capital.
- 5 In relation to a body corporate (company A), "Control" means the power of a person (P) to secure:
- (a) by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate; or
  - (b) as a result of any powers conferred by the articles of association or other document regulating that or any other body corporate
- that the affairs of company A are conducted in accordance with P's wishes.
- 6 In accordance with paragraph 29026 of the HM Revenue and Customs Employee Share Schemes Manual, unless the relevant overseas recognised stock exchange is the NYSE, NASDAQ or the American Stock Exchange then clearance is required from HM Revenue and Customs Shares Valuation before the quoted price on the relevant stock exchange may be used to determine the market value of the listed share.
- 7 A person has a material interest in a company if he, either on his own or with one or more associates, or if any associate of his with or without such other associates:
- (a) is the beneficial owner of, or able, directly or through the medium of other companies, or by any other indirect means to control, more than 10 per cent of the ordinary share capital of the company; or
  - (b) where the company is a close company, possesses, or is entitled to acquire, such rights as would, in the event of the winding-up of the company or in any other circumstances, give an entitlement to receive more than 10 per cent of the assets which would then be available for distribution among the participators.
- 8 The shares used in the scheme must be:
- (a) ordinary shares;
  - (b) fully paid up;
  - (c) not redeemable; and

- (d) save for certain limited exceptions, not subject to any restrictions which do not apply to all shares of the same class.

The shares used in the scheme must be:

- (a) of a class listed on a recognised stock exchange; or
- (b) shares in a company which is not under the control of another company; or
- (c) shares in a company which is under the control of another company (other than a company which is, or would if resident in the UK be, a close company) whose shares are listed on a recognised stock exchange.

The shares used in the scheme form part of the ordinary share capital of:

- (a) the grantor (ie the company which has established the scheme); or
- (b) a company which has control of the grantor; or
- (c) a company which either is, or has control of, a company which is a member of a consortium owning either the grantor or a company having control of the grantor.

Where the company whose shares are to be used in a scheme has more than one class of ordinary share, the majority of the issued shares of the same class as those which are to be used must be either employee control shares (see below) or:

- (a) must not be held by persons (including trustees holding shares on behalf of such persons) who acquired their shares in pursuance of a right conferred on them or opportunity offered to them as directors or employees of any company, and not in pursuance of an offer to the public; and
- (b) if the shares are not listed on a recognised stock exchange and the company is under the control of another company whose shares are so listed, must not be held by companies which have control of the company whose shares are in question or of which that company is an associated company.

Shares are employee control shares if:

- (a) the persons holding them are, by virtue of their holding of shares of that class, together able to control the company; and
- (b) those persons are, or have been, employees or directors of the company or of another company which is under the control of the company.

<sup>9</sup> UK tax legislation imposes a limit (currently £30,000) on the “value” of the outstanding options which may be held by an individual participant in an HM Revenue and Customs approved executive share option scheme.

Forms of agreements  
available for  
stock-based awards  
issued under the  
T. Rowe Price Group, Inc.  
2001 and 2004  
Stock Incentive Plans

STATEMENT OF ADDITIONAL TERMS AND CONDITIONS  
REGARDING THE AWARDS OF RESTRICTED STOCK

Made on or after May 1, 2010

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This Statement of Additional Terms and Conditions Regarding the Awards of Restricted Stock (the "**Terms**") and all of the provisions of the T. Rowe Price Group, Inc. [2001][2004] Stock Incentive Plan (the "**Plan**") are incorporated into your award of restricted stock, the specifics of which are described on the "Notice of Award of Restricted Stock and Restricted Stock Agreement" (the "**Notice**") that you received. Once the Notice has been executed by you and by an authorized officer or agent of T. Rowe Price Group, Inc., the Terms, the Plan, and the Notice, together, constitute a binding and enforceable contract respecting your award of restricted stock. That contract is referred to in this document as the "**Agreement**."

1. Terminology. Capitalized words used in this document are defined in the Glossary at the end of this document.

2. Vesting.

(a) All of the Award Shares are nonvested and forfeitable as of the date of award. For clarity, as used in this Agreement, the term "vest" means the lapse of restrictions on the Award Shares. So long as your Service is continuous from the date of award through the applicable date upon which vesting is scheduled to occur, the Award Shares will vest and become nonforfeitable on the vesting dates set forth in the correlating Notice. Any and all Award Shares that have not already vested or been previously forfeited will vest and become nonforfeitable upon your death. With the exception of your Service terminating as a result of your death, none of the Award Shares will become vested and nonforfeitable after your Service ceases.

(b) Unless the Committee shall have otherwise determined (within the limits specified in this paragraph) to revoke or to limit, in its sole and conclusive discretion, the acceleration provided for herein, the Award Shares will vest in full and become nonforfeitable immediately following the date on which the Committee no longer may revoke or modify the acceleration contemplated by this paragraph. The Committee's discretion to revoke or limit the acceleration contemplated by this paragraph may be exercised at any time before or within 20 business days after the Effective Date or the Approval Date, as applicable; provided, however, that such discretion to revoke or limit the acceleration may not be exercised after the persons who were directors of the Company immediately before the Transaction (as defined within the definition of Change of Control) shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company. In the event the Approval Date and an Effective Date arise from substantially identical facts and circumstances (as determined by the Committee in its sole discretion) and unless the Committee shall have determined to limit the

effect of this sentence, such 20-day period referred to in the immediately preceding sentence shall commence only once and upon the first to occur of the Approval Date or the Effective Date.

3. Termination of Service. If your Service ceases for any reason, all Award Shares that are not then vested and nonforfeitable will be immediately forfeited to the Company upon such cessation for no consideration. Upon the request of the Committee, you must deliver to the Company a stock power, endorsed in blank, with respect to any Award Shares that have been forfeited pursuant to this Agreement.

4. Restrictions on Transfer.

(a) Until an Award Share becomes vested and nonforfeitable, it may not be assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise) and may not be made subject to execution, attachment or similar process.

(b) The Company shall not be required to (i) transfer on its books any Award Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of Award Shares, or otherwise accord voting, dividend or liquidation rights to, any transferee to whom Award Shares have been transferred in contravention of this Agreement.

5. Stock Certificates. You are reflected as the owner of record of the Award Shares as of the date of award on the Company's books. The Company will hold the share certificates for safekeeping, or otherwise retain the Award Shares in uncertificated book entry form, until the Award Shares become vested and nonforfeitable. Until the Award Shares become vested and nonforfeitable, any share certificates representing such shares will include a legend to the effect that you may not sell, assign, transfer, pledge, or hypothecate the Award Shares. Unless you request the Company to deliver a share certificate to you, or deliver shares electronically or in certificate form to your designated broker, bank or nominee on your behalf, the Company will retain the Award Shares in uncertificated book entry form after they become vested. All regular cash dividends payable on the Award Shares will be paid directly to you on the dividend payment date regardless of the vested or nonvested status of the Award Shares.

6. Tax Election and Tax Withholding.

(a) You hereby agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the award or vesting of the Award Shares. The Company shall have the right to deduct from any compensation or any other payment of any kind (including withholding the issuance or delivery of shares of T. Rowe Price Group common stock) due you the amount of any federal, state, local or foreign taxes required by law to be withheld as a result of the award or vesting of the Award Shares in whole or in part; provided, however, that the value of the shares of T. Rowe Price Group common stock withheld may not exceed the statutory minimum withholding amount required by law. In lieu of such deduction, the Company may require you to make a cash payment to the Company equal to the amount required to be withheld. If you do not make such payment when requested, the Company may refuse to issue any stock certificate under this Agreement or otherwise release for transfer any such shares until arrangements satisfactory to the Company for such payment have been made.

(b) The Company may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the Award Shares either by electing to have the Company withhold from the shares to be released upon vesting that number of shares, or by electing to deliver to the Company already-owned shares, in either case having a fair market value equal to no more than the amount necessary to satisfy the statutory minimum withholding amount due.

(c) You hereby acknowledge that you have been advised by the Company to seek independent tax advice from your own advisors regarding the availability and advisability of making an election under Section 83(b) of the Internal Revenue Code of 1986, as amended, and that any such election, if made, must be made within 30 days of the date of award. You expressly acknowledge that you are solely responsible for filing any such Section 83(b) election with the appropriate governmental authorities, irrespective of the fact that such election is also delivered to the Company.

#### 7. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split. Upon a stock dividend of, or stock split or reverse stock split affecting, the T. Rowe Price Group common stock, the number of Award Shares and the number of such Award Shares that are nonvested and forfeitable shall, without further action of the Committee, be adjusted to reflect such event. The Committee may make adjustments, in its discretion, to address the treatment of fractional shares with respect to the Award Shares as a result of the stock dividend, stock split or reverse stock split. Adjustments under this paragraph will be made by the Committee, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive. No fractional Award Shares will result from any such adjustments.

(b) Binding Nature of Agreement. The terms and conditions of this Agreement shall apply with equal force to any additional and/or substitute securities received by you in exchange for, or by virtue of your ownership of, the Award Shares, whether as a result of any spin-off, stock split-up, stock dividend, stock distribution, other reclassification of the T. Rowe Price Group common stock, or similar event, except as otherwise determined by the Committee. If the Award Shares are converted into or exchanged for, or stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity, or other property (including cash), then the rights of the Company under this Agreement shall inure to the benefit of the Company's successor, and this Agreement shall apply to the securities or other property (including cash) received upon such conversion, exchange or distribution in the same manner and to the same extent as the Award Shares.

8. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your at-will or other employment status with the Company, nor be construed as a contract of employment between the Company and you, or as a contractual right of you to continue in the employ of the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge

results in the forfeiture of any Award Shares or any other adverse effect on your interests under the Plan.

9. Rights as Stockholder. Except as otherwise provided in this Agreement with respect to the nonvested and forfeitable Award Shares, you are entitled to all rights of a stockholder of the Company, including the right to vote the Award Shares and receive dividends and/or other distributions declared on the Award Shares.

10. The Company's Rights. The existence of the Award Shares will not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the T. Rowe Price Group common stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Notices. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company, or addressed to the Committee, care of the Company for the attention of its Payroll and Stock Transaction Group in the CFO-Finance Department at the Company's principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

12. Electronic Delivery of Documents. The Company may electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the Award Shares, any amendments to the Agreement, and any reports of the Company provided generally to the Company's stockholders. You may receive from the Company, at no cost to you, a paper copy of any electronically delivered documents by contacting the Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

13. Recoupment. The terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, adopted by the Board of Directors of the Company effective April 14, 2010 (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your award of restricted stock if you on the date of grant are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

14. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the Award Shares awarded hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of the Notice correlating to these Terms with respect to the Award Shares awarded hereunder shall be void and ineffective for all purposes.

15. Amendment. Except as provided below, the Committee shall have the right, in its absolute and uncontrolled discretion, to alter or amend this Agreement, from time to time in any manner for the purpose of promoting the objectives of the Plan but only if all agreements

awarding restricted shares of T. Rowe Price Group common stock pursuant to the Plan which are in effect at the time of such alteration or amendment shall also be similarly altered or amended with substantially the same effect, and any alteration or amendment of this Agreement by the Committee shall, upon adoption thereof by the Committee, become and be binding and conclusive on all persons affected thereby without requirement for consent or other action with respect thereto by any such person. The Company shall give written notice to you of any such alteration or amendment of this Agreement by the Committee as promptly as practical after the adoption thereof. The foregoing shall not restrict the ability of you and the Company by mutual consent to alter or amend this Agreement in any manner which is consistent with the Plan and approved by the Committee.

16. Conformity with Plan. These Terms are intended to conform in all respects with, and are subject to all applicable provisions of, the Plan. Except as may be necessary to give effect to the amendment provisions of Section 15 of these Terms, any inconsistencies between these Terms and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in these Terms or any matters as to which these Terms are silent, the Plan shall govern. A copy of the Plan is available at <https://www2.troweprice.com/options> or in hard copy upon request to the Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

17. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect hereto will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction and venue thereof.

18. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, this Agreement shall be determined by the Committee in its absolute and uncontrolled discretion, and any such determination or any other determination by the Committee under or pursuant to this Agreement and any interpretation by the Committee of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby.

19. No Future Entitlement. By execution of the Notice, you acknowledge and agree that: (i) the award of Award Shares is a one-time benefit which does not create any contractual or other right to receive future awards of Award Shares, or compensation in lieu of Award Shares, even if Award Shares have been awarded repeatedly in the past; (ii) all determinations with respect to any such future awards, including, but not limited to, the times when Award Shares shall be awarded or shall become vested and the number of Award Shares subject to each award, will be at the sole discretion of the Committee; (iii) the value of the Award Shares is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the Award Shares is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the Award Shares ceases upon termination of Service with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided this

Agreement; (vi) the value of the Award Shares will change over time and the Company does not guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if the value of the Award Shares decreases and you irrevocably release the Company from any such claim that does arise.

20. Personal Data. For the exclusive purpose of implementing, administering and managing the award of Award Shares, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the award of Award Shares and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the award of Award Shares. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an award of Award Shares.

21. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

*{Glossary begins on next page}*

## GLOSSARY

(a) “**Affiliate**” means any entity, whether now or hereafter existing, in which the Company has a proprietary interest by reason of stock ownership or otherwise (including, but not limited to, joint ventures, limited liability companies, and partnerships) or any entity that provides services to the Company or a subsidiary or affiliated entity of the Company.

(b) “**Agreement**” means the contract consisting of the Notice, the Terms and the Plan.

(c) “**Approval Date**” means the date of the approval of the Company’s Board of Directors of an agreement providing for an exchange offer, merger, consolidation or other business combination, sale or disposition of all or substantially all of the assets of the Company, or any combination of the foregoing transactions as a result of the consummation of which the persons who were directors of the Company immediately before the transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company or the persons who were stockholders of the Company immediately before the Approval Date will own less than a majority of the outstanding voting stock of the Company or any successor to the Company.

(d) “**Award Shares**” means the shares of T. Rowe Price Group common stock awarded to you as set forth on the Notice.

(e) “**Change of Control**”. A “Change of Control” shall be deemed to have taken place on the date of the earlier to occur of either of the following events: (i) a third party, including a “group” as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, becomes the beneficial owner of 25% or more of the Company’s outstanding common stock, or (ii) as the result of, or in connection with, any cash tender or exchange offer, merger, consolidation or other business combination, sale or disposition of all or substantially all of the Company’s assets, or contested election, or any combination of the foregoing transactions (a “**Transaction**”), the persons who were directors of the Company immediately before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company or the persons who were stockholders of the Company immediately before the Transaction shall cease to own at least a majority of the outstanding voting stock of the Company or any successor to the Company.

(f) “**Committee**” means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc. or such committee or committees appointed by the Board to administer the Plan.

(g) “**Company**” means T. Rowe Price Group, Inc. and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change of Control has occurred, Company shall mean only T. Rowe Price Group, Inc.

(h) “**Effective Date**” means the date on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs, and if your Service had terminated prior to the date on which the Change of Control occurred, and if it is reasonably demonstrated by you that such termination of Service either was at the request of

a third party who had taken steps reasonably calculated to effect the Change of Control or otherwise arose in connection with or in anticipation of the Change of Control, then, for all purposes of this Agreement, the term "Effective Date" shall mean the date immediately prior to the date of such termination of Service.

(i) "**Notice**" means the Notice of Award of Restricted Stock and Restricted Stock Agreement which correlates with these Terms and sets forth the specifics of the applicable restricted stock award.

(j) "**Plan**" means the T. Rowe Price Group, Inc. [2001][2004] Stock Incentive Plan.

(k) "**Service**" means your employment with the Company or any of its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed is not T. Rowe Price Group, Inc. or an Affiliate of T. Rowe Price Group, Inc.

(l) "**You**"; "**Your**". You means the recipient of the Award Shares as reflected in the Notice. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the Award Shares may be transferred by will or by the laws of descent and distribution, the words "you" and "your" shall be deemed to include such person.

{end of document}

T. ROWE PRICE GROUP, INC. [2001][2004] STOCK INCENTIVE PLAN

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STATEMENT OF ADDITIONAL TERMS AND CONDITIONS  
REGARDING THE AWARDS OF RESTRICTED STOCK UNITS

Made on or after May 1, 2010

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This Statement of Additional Terms and Conditions Regarding the Awards of Restricted Stock Units (the "**Terms**") and all of the provisions of the T. Rowe Price Group, Inc. [2001][2004] Stock Incentive Plan (the "**Plan**") are incorporated into your award of restricted stock units, the specifics of which are described on the "Notice of Award of Restricted Stock Units and Restricted Stock Units Agreement" (the "**Notice**") that you received. Once the Notice has been executed by you and by an authorized officer or agent of T. Rowe Price Group, Inc., the Terms, the Plan, and the Notice, together, constitute a binding and enforceable contract respecting your award of restricted stock units. That contract is referred to in this document as the "**Agreement**."

1. Terminology. Capitalized words used in this document are defined in the Glossary at the end of this document.

2. Vesting. All of the restricted stock units are nonvested and forfeitable as of the date of award. For clarity, as used in this Agreement, the term "vest" means the lapse of restrictions on the restricted stock units. So long as your Service is continuous from the date of award through the applicable date upon which vesting is scheduled to occur, the restricted stock units will vest and become nonforfeitable on the vesting dates set forth in the correlating Notice. Any and all restricted stock units that have not already vested or been previously forfeited will vest and become nonforfeitable upon your death or immediately prior to the Effective Date of a Change of Control of the Company. With the exception of your Service terminating as a result of your death, none of the restricted stock units will become vested or nonforfeitable after your Service ceases.

3. Termination of Service. If your Service ceases for any reason other than death, all restricted stock units that are not then vested and nonforfeitable will be immediately forfeited to the Company upon such cessation without payment of any consideration.

4. Restrictions on Transfer. Restricted stock units may not be assigned, transferred, pledged, hypothecated or disposed of in any way, whether by operation of law or otherwise, except by will or the laws of descent and distribution, and restricted stock units may not be made subject to execution, attachment or similar process.

5. Dividend Equivalent Payments. On each dividend payment date for each cash dividend payable with respect to T. Rowe Price Group common stock, the Company will pay to you in cash an amount equal to the product of (a) the per share cash dividend, multiplied by (b) the number of your restricted stock units outstanding on the record date.

6. Settlement of Units. Your restricted stock units will be settled automatically, via the issuance of T. Rowe Price Group common stock as described herein, when or as soon as practicable, but in all events within 30 days, after they vest and become nonforfeitable. You are not required to make any monetary payment (other than applicable tax withholding, if required) as a condition to settlement of the restricted stock units. The Company will issue to you, in settlement of your restricted stock units, the number of whole shares of T. Rowe Price Group common stock that equals the number of whole restricted stock units that vested, and the vested restricted stock units will cease to be outstanding upon the issuance of those shares. Unless you request the Company to deliver a share certificate to you, or deliver shares electronically or in certificate form to your designated broker, bank or nominee on your behalf, the Company will retain the shares in uncertificated book entry form.

7. Tax Election and Tax Withholding.

(a) You hereby agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the restricted stock units. The Company shall have the right to deduct from any compensation or any other payment of any kind (including withholding the issuance or delivery of shares of T. Rowe Price Group common stock) due you the amount of any federal, state, local or foreign taxes required by law to be withheld as a result of the vesting or settlement of the restricted stock units, in whole or in part, or as otherwise may be required by applicable law; provided, however, that the value of the shares of T. Rowe Price Group common stock withheld may not exceed the statutory minimum withholding amount required by law. In lieu of such deduction, the Company may require you to make a cash payment to the Company equal to the amount required to be withheld. If you do not make such payment when requested, the Company may refuse to issue any T. Rowe Price Group common stock or deliver any stock certificate under this Agreement or otherwise release for transfer any such shares until arrangements satisfactory to the Company for such payment have been made.

(b) The Company may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the restricted stock units either by electing to have the Company withhold from the shares to be issued upon vesting that number of shares, or by electing to deliver to the Company already-owned shares, in either case having a fair market value equal to no more than the amount necessary to satisfy the statutory minimum withholding amount due.

8. Adjustments for Corporate Transactions and Other Events.

(a) Stock Dividend, Stock Split and Reverse Stock Split. Upon a stock dividend of, or stock split or reverse stock split affecting, the T. Rowe Price Group common stock, the number of outstanding restricted stock units shall, without further action of the Committee, be adjusted to reflect such event; provided, however, that any fractional restricted stock units resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Committee, whose determination as to what adjustments, if any, will be made and the extent thereof will be final, binding and conclusive.

(b) Merger, Consolidation and Other Events. If the Company shall be the surviving or resulting corporation in any merger or consolidation and the T. Rowe Price Group common stock shall be converted into or exchanged for other securities, the restricted stock units shall pertain to and apply to the securities to which a holder of the

number of shares of T. Rowe Price Group common stock subject to the restricted stock units would have been entitled. If the stockholders of the Company receive by reason of any distribution in total or partial liquidation or pursuant to any merger of the Company or acquisition of its assets, securities of another entity, or other property (including cash), then the rights of the Company under this Agreement shall inure to the benefit of the Company's successor, and this Agreement shall apply to the securities or other property (including cash) to which a holder of the number of shares of T. Rowe Price Group common stock subject to the restricted stock units would have been entitled, in the same manner and to the same extent as the restricted stock units.

9. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your at-will or other employment status with the Company, nor be construed as a contract of employment between the Company and you, or as a contractual right of you to continue in the employ of the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any restricted stock units or any other adverse effect on your interests under the Plan.

10. Rights as Stockholder. Except as otherwise provided in this Agreement with respect to dividend equivalent payments, neither you nor any other person claiming through you shall have any rights with respect to any shares of T. Rowe Price Group common stock subject to the restricted stock units, including without limitation, any voting rights, unless and until such shares are duly issued and delivered to you.

11. The Company's Rights. The existence of the restricted stock units will not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the T. Rowe Price Group common stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

12. Notices. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company, or addressed to the Committee, care of the Company for the attention of its Payroll and Stock Transaction Group in the CFO-Finance Department at the Company's principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

13. Electronic Delivery of Documents. The Company may electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the restricted stock units, any amendments to the Agreement, and any reports of the Company provided generally to the Company's stockholders. You may receive from the Company, at no cost to you, a paper copy of any electronically delivered documents by contacting the Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

14. Recoupment. The terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, adopted by the Board of Directors of the Company

effective April 14, 2010 (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your restricted stock units if you on the date of grant are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

15. **Entire Agreement.** This Agreement contains the entire agreement between the parties with respect to the restricted stock units awarded hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of the Notice correlating to these Terms with respect to the restricted stock units awarded hereunder shall be void and ineffective for all purposes.

16. **Amendment.** Except as provided below, the Committee shall have the right, in its absolute and uncontrolled discretion, to alter or amend this Agreement, from time to time in any manner for the purpose of promoting the objectives of the Plan but only if all agreements awarding restricted stock units pursuant to the Plan which are in effect at the time of such alteration or amendment shall also be similarly altered or amended with substantially the same effect, and any alteration or amendment of this Agreement by the Committee shall, upon adoption thereof by the Committee, become and be binding and conclusive on all persons affected thereby without requirement for consent or other action with respect thereto by any such person. The Company shall give written notice to you of any such alteration or amendment of this Agreement by the Committee as promptly as practical after the adoption thereof. Notwithstanding the first sentence of this Section 16 nor the provisions of Section 7(c)(ii) of the Plan, the Change-of-Control vesting acceleration provision set forth in Section 2 of these Terms may not be altered or amended with respect to your restricted stock units without your consent. The foregoing shall not restrict the ability of you and the Company by mutual consent to alter or amend this Agreement in any manner which is consistent with the Plan and approved by the Committee.

17. **Conformity with Plan.** These Terms are intended to conform in all respects with, and are subject to all applicable provisions of, the Plan. Except as may be necessary to give effect to the amendment provisions of Section 16 of these Terms or the 409A savings clause provisions of Section 22 of these Terms, any inconsistencies between these Terms and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in these Terms or any matters as to which these Terms are silent, the Plan shall govern. A copy of the Plan is available at <https://www2.troweprice.com/options> or in hard copy upon request to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

18. **No Funding.** This Agreement constitutes an unfunded and unsecured promise by the Company to make payments and issue shares of T. Rowe Price Group common stock in the future in accordance with its terms. You have the status of a general unsecured creditor of the Company as a result of receiving the award of restricted stock units. Any cash payment due under this Agreement with respect to dividend equivalent payments under Section 5 hereof will be paid from the general assets of the Company and nothing in this Agreement will be construed to give you or any other person rights to any specific assets of the Company.

19. **Governing Law.** The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect

hereto will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction and venue thereof.

20. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, this Agreement shall be determined by the Committee in its absolute and uncontrolled discretion, and any such determination or any other determination by the Committee under or pursuant to this Agreement and any interpretation by the Committee of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby.

21. Preemption of Applicable Laws or Regulations. Anything in this Agreement to the contrary notwithstanding, if, at any time specified herein for the issue of shares to you, any law, regulation or requirements of any governmental authority having jurisdiction in the premises shall require either the Company or you to take any action in connection with the shares then to be issued, the issue of such shares will be deferred until such action shall have been taken.

22. 409A Savings Clause. This Agreement and the restricted stock units awarded hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. This Agreement and the restricted stock units shall be administered, interpreted and construed in a manner consistent with such Code Section. Should any provision of this Agreement or the restricted stock units be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, it shall be modified and given effect, in the sole discretion of the Committee and without requiring your consent, in such manner as the Committee determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A of the Code. The preceding provisions shall not be construed as a guarantee by the Company of any particular tax effect of the restricted stock units.

23. No Future Entitlement. By execution of the Notice, you acknowledge and agree that: (i) the award of restricted stock units is a one-time benefit which does not create any contractual or other right to receive future awards of restricted stock units, or compensation in lieu of restricted stock units, even if restricted stock units have been awarded repeatedly in the past; (ii) all determinations with respect to any such future awards, including, but not limited to, the times when restricted stock units shall be awarded or shall become vested or settled and the number of restricted stock units subject to each award, will be at the sole discretion of the Committee; (iii) the value of the restricted stock units is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the restricted stock units is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the restricted stock units ceases upon termination of Service with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided this Agreement; (vi) the value of the restricted stock units will change over time and the Company does not guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if the value of the restricted stock units decreases and you irrevocably release the Company from any such claim that does arise.

24. Personal Data. For the exclusive purpose of implementing, administering and managing the award of restricted stock units, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors. You understand that personal data

(including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the award of restricted stock units and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the award of restricted stock units. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an award of restricted stock units.

25. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

*{Glossary begins on next page}*

## GLOSSARY

(a) "**Affiliate**" means any entity, whether now or hereafter existing, in which the Company has a proprietary interest by reason of stock ownership or otherwise (including, but not limited to, joint ventures, limited liability companies, and partnerships) or any entity that provides services to the Company or a subsidiary or affiliated entity of the Company.

(b) "**Agreement**" means the contract consisting of the Notice, the Terms and the Plan.

(c) "**Change of Control**". A "Change of Control" shall be deemed to have taken place on the date of the earlier to occur of either of the following events: (i) a third party, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, becomes the beneficial owner of 25% or more of the Company's outstanding common stock, or (ii) as the result of, or in connection with, any cash tender or exchange offer, merger, consolidation or other business combination, sale or disposition of all or substantially all of the Company's assets, or contested election, or any combination of the foregoing transactions (a "**Transaction**"), the persons who were directors of the Company immediately before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company or the persons who were stockholders of the Company immediately before the Transaction shall cease to own at least a majority of the outstanding voting stock of the Company or any successor to the Company.

(d) "**Code**" means the Internal Revenue Code of 1986, as amended.

(e) "**Committee**" means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc. or such committee or committees appointed by the Board to administer the Plan.

(f) "**Company**" means T. Rowe Price Group, Inc. and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change of Control has occurred, Company shall mean only T. Rowe Price Group, Inc.

(g) "**Effective Date**" means the date on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs, and if your Service had terminated prior to the date on which the Change of Control occurred, and if it is reasonably demonstrated by you that such termination of Service either was at the request of a third party who had taken steps reasonably calculated to effect the Change of Control or otherwise arose in connection with or in anticipation of the Change of Control, then, for all purposes of this Agreement, the term "Effective Date" shall mean the date immediately prior to the date of such termination of Service.

(h) "**Notice**" means the Notice of Award of Restricted Stock Units and Restricted Stock Units Agreement which correlates with these Terms and sets forth the specifics of the applicable award of restricted stock units.

(i) "**Plan**" means the T. Rowe Price Group, Inc. [2001][2004] Stock Incentive Plan.

(j) **“Service”** means your employment with the Company or any of its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed is not T. Rowe Price Group, Inc. or an Affiliate of T. Rowe Price Group, Inc.

(k) **“Terms”** mean this Statement of Additional Terms and Conditions Regarding the Awards of Restricted Stock Units.

(l) **“You”; “Your”**. You means the recipient of the restricted stock units as reflected in the Notice. Whenever the word “you” or “your” is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the restricted stock units may be transferred by will or by the laws of descent and distribution, the words “you” and “your” shall be deemed to include such person.

*{end of document}*

STATEMENT OF ADDITIONAL TERMS AND CONDITIONS  
REGARDING THE OPTION GRANTS  
(INCENTIVE STOCK OPTIONS)

Made on or after May 1, 2010

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This Statement of Additional Terms and Conditions Regarding the Option Grants (the "**Terms**") and all of the provisions of the T. Rowe Price Group, Inc. [2001][2004] Stock Incentive Plan (the "**Plan**") are incorporated into your grant of an incentive stock option, the specifics of which are described on the "Notice of Grant of Stock Options and Option Agreement" (the "**Notice**") that you received. Once the Notice has been executed by you and by an authorized officer or agent of T. Rowe Price Group, Inc., the Terms, the Plan, and the Notice, together, constitute a binding and enforceable contract respecting your grant of an incentive stock option. That contract is referred to in this document as the "**Agreement.**"

1. Terminology. Capitalized words used in this document are defined in the Glossary at the end of this document.

2. Stock Option Exercise Rights.

(a) So long as your Service is continuous from the date of grant through the applicable date upon which vesting is scheduled to occur, your stock option will become exercisable in installments, for the number of shares so specified, on the vesting dates set forth in the correlating Notice.

(b) The Committee may in its discretion accelerate the time at which the stock option may be exercised.

(c) To the extent not exercised, installments will accumulate and be exercisable by you, in whole or in part, at any time before the stock option expires or is otherwise terminated.

(d) No less than 100 shares of T. Rowe Price Group common stock may be purchased upon any one exercise of the stock option unless the number of shares purchased at such time is the total number of shares in respect of which the stock option is then exercisable.

(e) In no event will the stock option be exercisable for a fractional share.

3. Method of Exercising Option and Payment of Purchase Price.

(a) To exercise the stock option, you must deliver to the Company, from time to time, on any business day after the stock option has become exercisable and before it

expires or otherwise terminates, an Exercise Notice specifying the number of shares you then desire to purchase and pay the aggregate purchase price for the shares specified in the Exercise Notice. The purchase price may be paid:

(i) by cash, check, wire transfer, bank draft or postal or express money order to the order of the Company for an amount in United States dollars equal to the aggregate purchase price for the number of shares specified in the Exercise Notice, such payment to be delivered with the Exercise Notice;

(ii) unless limited by the Committee, by tender of shares of T. Rowe Price Group common stock with a value (determined in accordance with paragraph 3(c)) equal to or less than the aggregate purchase price plus cash, check, wire transfer, bank draft or postal or express money order to the order of the Company for an amount in United States dollars equal to the amount, if any, by which the aggregate purchase price exceeds the value of such shares of T. Rowe Price Group common stock (determined in accordance with paragraph 3(c));

(iii) by broker-assisted cashless exercise in accordance with procedures satisfactory to the Committee; or

(iv) by a combination of these methods.

In the case of payment in shares of T. Rowe Price Group common stock, such payment must be made by no later than the end of the first business day after the Exercise Date, by delivery of the necessary share certificates, with executed stock powers attached, or transfer instructions, in the case of shares held in street name by a bank, broker, or other nominee, to the Company or by attestation of ownership in a form satisfactory to the Company, and in each case coupled with payment of any additional amount in cash or in one of the specified forms of acceptable cash equivalents for the balance of the aggregate purchase price.

(b) Within three business days after the Exercise Date and subject to the receipt of the aggregate purchase price and withholding taxes, to the extent required by the Company, the Company will issue to you the number of shares of T. Rowe Price Group common stock with respect to which the stock option shall be so exercised. Unless and until you request the Company to deliver a share certificate to you, or deliver shares electronically or in certificate form to your designated broker, bank or nominee on your behalf, the Company will retain the shares that you purchased through exercise of the stock option in uncertificated book entry form.

(c) For purposes of paragraph 3(a), unless determined otherwise by the Committee in accordance with the Plan, the value of shares of T. Rowe Price Group common stock tendered to exercise the stock option will be the last-reported sale price of such shares on The NASDAQ Stock Market on the Exercise Date, or, if the T. Rowe Price Group common stock is not quoted on The NASDAQ Stock Market on the Exercise Date, as otherwise determined by the Committee in accordance with the Plan.

(d) The Committee may in its discretion place limitations on the extent to which shares of T. Rowe Price Group common stock may be tendered by you as payment of the purchase price pursuant to paragraph 3(a) hereof. There are no provisions in this Agreement for the granting of a replenishment option with respect to any shares of T. Rowe Price Group common stock tendered upon the exercise of the stock option.

(e) In the sole discretion of the Committee, the Company may in lieu of requiring the exercise of the stock option and the payment of the aggregate purchase price, authorize the payment of cash to you in an amount equal to the market value of shares of T. Rowe Price Group common stock subject to the stock option less the aggregate purchase price in exchange for the cancellation of the stock option.

4. [For 2001 SIP] Exercisability Upon the Occurrence of Certain Events. Notwithstanding any provisions limiting exercisability in whole or in part, and unless the Committee shall have otherwise determined (within the limits specified in this paragraph) to revoke or to limit, in its sole and conclusive discretion, the acceleration provided for herein, the following shall apply: the stock option will be exercisable in full for a period of one year (a) following the Effective Date or (b) commencing on the Approval Date. After the expiration of any such one-year period, the stock option shall remain exercisable only to the extent, if any, provided in this Agreement without taking into consideration the effect of this paragraph. The Committee's discretion to revoke or limit the acceleration contemplated by this paragraph may be exercised at any time before or within 20 business days after the Effective Date or the Approval Date referred to in the foregoing clauses (a) or (b). In the event the Approval Date and an Effective Date arise from substantially identical facts and circumstances (as determined by the Committee in its sole discretion) and unless the Committee shall have determined to limit the effect of this sentence, such one-year period (and the 20-day period referred to in the immediately preceding sentence) shall commence only once and upon the first to occur of the Approval Date or the Effective Date.

4. [For 2004 SIP] Exercisability Upon the Occurrence of Certain Events. Notwithstanding any provisions limiting exercisability in whole or in part, and unless the Committee shall have otherwise determined (within the limits specified in this paragraph) to revoke or to limit, in its sole and conclusive discretion, the acceleration provided for herein, the stock option will become exercisable in full immediately following the date on which the Committee no longer may revoke or modify the acceleration contemplated by this paragraph and shall remain exercisable for a one-year period thereafter. After the expiration of any such one-year period, the stock option shall remain exercisable only to the extent, if any, provided in this Agreement without taking into consideration the effect of this paragraph. The Committee's discretion to revoke or limit the acceleration contemplated by this paragraph may be exercised at any time before or within 20 business days after the Effective Date or the Approval Date, as applicable; provided, however, that such discretion to revoke or limit the acceleration may not be exercised after the persons who were directors of the Company immediately before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company. In the event the Approval Date and an Effective Date arise from substantially identical facts and circumstances (as determined by the Committee in its sole discretion) and unless the Committee shall have determined to limit the effect of this sentence, such one-year period (and the 20-day period referred to in the immediately preceding sentence) shall commence only once and upon the first to occur of the Approval Date or the Effective Date.

#### 5. Termination.

(a) If your Service with the Company ceases for any reason other than death, the portion of the stock option, if any, that is then unexercisable, after giving effect to any

acceleration by the Committee pursuant to paragraph 2(c), will terminate immediately upon such cessation.

(b) The stock option, to the extent not earlier exercised or terminated, will terminate and be of no force or effect upon the first occurrence of any one of the following events:

(i) The expiration date set forth in the Notice;

(ii) The expiration of 30 days after termination of your Service with the Company, except in the case of your death or retirement with the consent of the Company. During such 30-day period, you will have the right to exercise the stock option only to the extent exercisable on the date of termination of your Service;

(iii) The expiration of 13 months after the date of your retirement with the consent of the Company. During such 13-month period you will have the right to exercise the stock option to the extent the right to exercise it has accrued prior to your retirement but has not been exercised prior to such retirement, subject, in addition, however, to acceleration by the Committee pursuant to paragraph 2(c); or

(iv) The expiration of 13 months after your date of death if you die (i) while you are in the Service of the Company or (ii) within the period of time after your termination of Service due to retirement or otherwise during which you were entitled to exercise the stock option. During such 13-month period your estate, personal representative or beneficiary will have the right to exercise the stock option in full if you died while in the Service of the Company; otherwise your estate, personal representative or beneficiary will have the right to exercise the stock option during such 13-month period to the extent that the right to exercise had accrued prior to your termination of Service but had not been exercised prior to your death.

(c) Retirement at your normal retirement date or at an optional retirement date in accordance with the provisions of a retirement plan of the Company under which you are then covered will constitute a retirement with the consent of the Company for the purposes of this Agreement. The Committee has absolute and uncontrolled discretion to determine whether any other termination of your employment is to be considered as retirement with the consent of the Company for the purposes of this Agreement and whether an authorized leave of absence or absence on military or government service or otherwise shall constitute a termination of employment for the purposes of this Agreement. Employment by the Company will be deemed to include employment of you by, and to continue during any period in which you are in the employ of, an Affiliate of the Company. Unless determined otherwise by the Committee, if the Affiliate with which you are employed ceases to be an entity in which the Company maintains a proprietary interest by reason of stock ownership or otherwise, you will be considered to have had a termination of employment for purposes of this Agreement upon such cessation. Any determination made by the Committee with respect to any matter referred to in this paragraph 5 will be final and conclusive on all persons affected thereby.

6. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your at-will or other employment status with the Company, nor be construed as a contract of employment between the Company and you, or as a contractual right of you to continue in the employ of the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge

results in the forfeiture of any portion of the stock option or any other adverse effect on your interests under the Plan.

7. Assignability. This stock option is not transferable by you otherwise than by will or the laws of descent and distribution and is exercisable during your lifetime only by you. No assignment or transfer of this stock option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, except by will or the laws of descent and distribution, will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon any attempt to assign or transfer this stock option the same will terminate and be of no force or effect.

8. The Company's Rights. The existence of this stock option will not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the T. Rowe Price Group common stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.

9. Recapitalization. The shares with respect to which this stock option is granted are shares of the T. Rowe Price Group common stock as constituted on the date of this Agreement, but if, and whenever, prior to the delivery by the Company of all of the shares of T. Rowe Price Group common stock with respect to which this stock option is granted, the Company shall effect a subdivision or consolidation of shares, or other capital readjustment, or the payment of a stock dividend, or other increase or decrease in the number of shares of T. Rowe Price Group common stock outstanding, without receiving compensation therefor in money, services or property, then (a) in the event of any increase in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to this stock option will be proportionately increased (except that any fraction of a share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately reduced, and (b) in the event of a reduction in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to this stock option will be proportionately reduced (except that any fractional share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately increased.

10. Merger and Consolidation. After a merger of one or more corporations into the Company, or after a consolidation of the Company and one or more corporations in which the Company is the surviving or resulting corporation, you will, at no additional cost, be entitled upon any exercise of this stock option, to receive (subject to any required action by stockholders) in lieu of the number of shares as to which this stock option shall then be so exercised, the number and class of shares of stock or other securities to which you would have been entitled pursuant to the terms of the agreement of merger or consolidation, if, immediately prior to such merger or consolidation, you had been the holder of record of a number of shares of T. Rowe Price Group common stock equal to the number of shares as to which such stock option shall be so exercised; provided, that anything herein contained to the contrary notwithstanding, upon the dissolution or liquidation of the Company, or upon any merger or consolidation, in which the Company is not the surviving or resulting corporation, this stock

option will terminate and be of no force or effect, except to the extent that such surviving or resulting corporation may issue a substituted option.

11. Preemption of Applicable Laws or Regulations. Anything in this Agreement to the contrary notwithstanding, if, at any time specified herein for the issue of shares to you, any law, regulation or requirements of any governmental authority having jurisdiction in the premises shall require either the Company or you to take any action in connection with the shares then to be issued, the issue of such shares will be deferred until such action shall have been taken.

12. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the shares of T. Rowe Price Group common stock subject to the stock option until such shares have been issued to you upon the due exercise of the stock option. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such shares are issued to you.

13. Amendments. The Committee shall have the right, in its absolute and uncontrolled discretion, to alter or amend this Agreement, from time to time in any manner for the purpose of promoting the objectives of the Plan but only if all agreements granting options to purchase shares of T. Rowe Price Group common stock pursuant to the Plan which are in effect and not wholly exercised at the time of such alteration or amendment shall also be similarly altered or amended with substantially the same effect, and any alteration or amendment of this Agreement by the Committee shall, upon adoption thereof by the Committee, become and be binding and conclusive on all persons affected thereby without requirement for consent or other action with respect thereto by any such person. The Company will give written notice to you of any such alteration or amendment of this Agreement by the Committee as promptly as practical after the adoption thereof. The foregoing shall not restrict the ability of you and the Company by mutual consent to alter or amend this Agreement in any manner which is consistent with the Plan and approved by the Committee.

14. Notice. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company, or addressed to the Committee, care of the Company for the attention of its Payroll and Stock Transaction Group in the CFO-Finance Department at the Company's principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

15. Electronic Delivery of Documents. The Company may electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the stock option, any amendments to the Agreement, and any reports of the Company provided generally to the Company's stockholders. You may receive from the Company, at no cost to you, a paper copy of any electronically delivered documents by contacting the Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

16. Recoupment. The terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, adopted by the Board of Directors of the Company effective April 14, 2010 (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your stock option if you on the date of grant are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

17. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the stock option granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of the Notice correlating to these Terms with respect to the stock option granted hereunder shall be void and ineffective for all purposes.

18. Provisions Concerning Incentive Stock Options.

(a) Qualified Nature of the Option. This stock option is intended to qualify as an incentive stock option within the meaning of Internal Revenue Code section 422 ("*Incentive Stock Option*"), to the fullest extent permitted under Internal Revenue Code section 422, and this Agreement shall be so construed. The Company, however, does not warrant any particular tax consequences of the stock option. The aggregate fair market value (determined as of the effective date of this grant) of shares of stock with respect to which all Incentive Stock Options first become exercisable by you in any calendar year under the Plan or any other plan of the Company (and its parent and subsidiary corporations, as may exist from time to time) may not exceed \$100,000 or such other amount as may be permitted from time to time under Internal Revenue Code section 422. To the extent that such aggregate fair market value shall exceed \$100,000 or other applicable amount in any calendar year, such stock options shall be treated as nonstatutory stock options with respect to the amount of aggregate fair market value thereof that exceeds the Internal Revenue Code section 422 limit. For this purpose, the Incentive Stock Options will be taken into account in the order in which they were granted. In such case, the Company may designate the shares of stock that are to be treated as stock acquired pursuant to the exercise of an Incentive Stock Option and the shares of stock that are to be treated as stock acquired pursuant to a nonstatutory stock option by issuing separate certificates for such shares and identifying the certificates as such in the stock transfer records of the Company or by any other appropriate notation in the records of the Company.

Except with respect to exercise after your death or disability, at all times during the period beginning with the date of the granting of an Incentive Stock Option and ending on the day three months before the date of such exercise, you must be an employee of the Company or a subsidiary, as that term is defined in Internal Revenue Code section 424(f), in order for such option to qualify as an Incentive Stock Option. Therefore, in the event that you retire with the consent of the Company, as provided in paragraph 5 hereof, any part of the Incentive Stock Option which is not exercised within three months of such termination will be exercisable as a nonstatutory stock option for the remainder of the thirteen-month exercise period. Similarly, if the entity with which you are employed ceases to be a subsidiary of the Company, as that term is defined in Internal Revenue Code section 424(f), then the stock option will be treated as a nonstatutory stock option unless exercised within three months of such cessation.

(b) Notice of Disqualifying Disposition. If you make a disposition (as that term is defined in Internal Revenue Code section 424(c)) of any shares of stock acquired pursuant to this stock option within two years of the date of grant or within one year after the shares are issued to you, you must notify the Company of such disposition in writing within 30 days of the disposition.

19. Withholding of Taxes.

(a) At the time the stock option is exercised, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll or any other payment of any kind due you and otherwise agree to make adequate provision for foreign,

federal, state and local taxes required by law to be withheld, if any, which arise in connection with the stock option. The Company may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the stock option. If you do not make such payment when requested, the Company may refuse to issue any stock or stock certificate under the Plan until arrangements satisfactory to the Company for such payment have been made.

(b) The Company may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the stock option either by electing to have the Company withhold from the shares to be issued upon exercise that number of shares, or by electing to deliver to the Company already-owned shares, in either case having a fair market value equal to no more than the amount necessary to satisfy the statutory minimum withholding amount due.

20. Conformity with Plan. These Terms are intended to conform in all respects with, and are subject to all applicable provisions of, the Plan. Except as may be necessary to give effect to the amendment provisions of paragraph 13 of these Terms, any inconsistencies between these Terms and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in these Terms or any matters as to which these Terms are silent, the Plan shall govern. A copy of the Plan is available at <https://www2.troweprice.com/options> or in hard copy upon request to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

21. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect hereto will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction and venue thereof.

22. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, this Agreement shall be determined by the Committee in its absolute and uncontrolled discretion, and any such determination or any other determination by the Committee under or pursuant to this Agreement and any interpretation by the Committee of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby.

23. No Future Entitlement. By execution of the Notice, you acknowledge and agree that: (i) the grant of a stock option is a one-time benefit which does not create any contractual or other right to receive future grants of stock options, or compensation in lieu of stock options, even if stock options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when stock options shall be granted or shall become exercisable, the maximum number of shares subject to each stock option, and the purchase price, will be at the sole discretion of the Committee; (iii) the value of the stock option is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the stock option is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the stock option ceases upon termination of Service with the Company or transfer of employment from the

Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided this Agreement; (vi) if the underlying stock does not increase in value, this stock option will have no value, nor does the Company guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if the stock option does not increase in value and you irrevocably release the Company from any such claim that does arise.

24. Personal Data. For the exclusive purpose of implementing, administering and managing the stock option, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the stock option and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the stock option. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a stock option.

25. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

*{Glossary begins on next page}*

## GLOSSARY

(a) "**Affiliate**" means any entity, whether now or hereafter existing, in which the Company has a proprietary interest by reason of stock ownership or otherwise (including, but not limited to, joint ventures, limited liability companies, and partnerships) or any entity that provides services to the Company or a subsidiary or affiliated entity of the Company.

(b) "**Agreement**" means the contract consisting of the Notice, the Terms and the Plan.

(c) [For 2001 SIP] "**Approval Date**" means the date of the approval of the Company's Board of Directors of an agreement providing for a merger, consolidation, sale or disposition of all or substantially all of the assets of the Company, or other form of extraordinary business combination as a result of the consummation of which stockholders of the Company immediately before the Approval Date will own less than a majority of the outstanding voting stock of the resulting organization.

(c) [For 2004 SIP] "**Approval Date**" means the date of the approval of the Company's Board of Directors of an agreement providing for an exchange offer, merger, consolidation or other business combination, sale or disposition of all or substantially all of the assets of the Company, or any combination of the foregoing transactions as a result of the consummation of which the persons who were directors of the Company immediately before the transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company or the persons who were stockholders of the Company immediately before the Approval Date will own less than a majority of the outstanding voting stock of the Company or any successor to the Company.

(d) "**Change of Control**". A "Change of Control" shall be deemed to have taken place on the date of the earlier to occur of either of the following events: (i) a third party, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, becomes the beneficial owner of 25% or more of the Company's outstanding common stock, or (ii) as the result of, or in connection with, any cash tender or exchange offer, merger, consolidation or other business combination, sale or disposition of all or substantially all of the Company's assets, or contested election, or any combination of the foregoing transactions (a "**Transaction**"), the persons who were directors of the Company immediately before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company or the persons who were stockholders of the Company immediately before the Transaction shall cease to own at least a majority of the outstanding voting stock of the Company or any successor to the Company.

(e) "**Committee**" means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc. or such committee or committees appointed by the Board to administer the Plan.

(f) "**Company**" means T. Rowe Price Group, Inc. and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change of Control has occurred, Company shall mean only T. Rowe Price Group, Inc.

(g) "**Effective Date**" means the date on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs, and if

your Service had terminated prior to the date on which the Change of Control occurred, and if it is reasonably demonstrated by you that such termination of Service either was at the request of a third party who had taken steps reasonably calculated to effect the Change of Control or otherwise arose in connection with or in anticipation of the Change of Control, then, for all purposes of this Agreement, the term "Effective Date" shall mean the date immediately prior to the date of such termination of Service.

(h) "**Exercise Date**" means the business day upon which you deliver to the Company the Exercise Notice and payment of the aggregate purchase price for the shares specified therein in accordance with the requirements of paragraph 3(a); provided that all of the conditions of the Agreement are satisfied.

(i) "**Exercise Notice**" means the written notice, in such form as may be required from time to time by the Committee, specifying the number of shares you desire to purchase under the stock option.

(j) "**Notice**" means the Notice of Grant of Stock Options and Option Agreement which correlates with these Terms and sets forth the specifics of the applicable stock option grant.

(k) "**Plan**" means the T. Rowe Price Group, Inc. [2001][2004] Stock Incentive Plan.

(l) "**Service**" means your employment with the Company or any of its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed is not T. Rowe Price Group, Inc. or an Affiliate of T. Rowe Price Group, Inc.

(m) "**You**"; "**Your**". You means the recipient of the stock option as reflected in the Notice. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the stock option may be transferred by will or by the laws of descent and distribution or otherwise pursuant to the terms of this Agreement, the words "you" and "your" shall be deemed to include such person.

{end of document}

STATEMENT OF ADDITIONAL TERMS AND CONDITIONS  
REGARDING THE OPTION GRANTS  
(NON-QUALIFIED OPTIONS)

Made on or after May 1, 2010

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This Statement of Additional Terms and Conditions Regarding the Option Grants (the "**Terms**") and all of the provisions of the T. Rowe Price Group, Inc. [2001][2004] Stock Incentive Plan (the "**Plan**") are incorporated into your grant of a non-qualified stock option, the specifics of which are described on the "Notice of Grant of Stock Options and Option Agreement" (the "**Notice**") that you received. Once the Notice has been executed by you and by an authorized officer or agent of T. Rowe Price Group, Inc., the Terms, the Plan, and the Notice, together, constitute a binding and enforceable contract respecting your grant of a non-qualified stock option. That contract is referred to in this document as the "**Agreement.**"

1. Terminology. Capitalized words used in this document are defined in the Glossary at the end of this document.
2. Stock Option Exercise Rights.

(a) So long as your Service is continuous from the date of grant through the applicable date upon which vesting is scheduled to occur, your stock option will become exercisable in installments, for the number of shares so specified, on the vesting dates set forth in the correlating Notice.

(b) The Committee may in its discretion accelerate the time at which the stock option may be exercised.

(c) To the extent not exercised, installments will accumulate and be exercisable by you, in whole or in part, at any time before the stock option expires or is otherwise terminated.

(d) No less than 100 shares of T. Rowe Price Group common stock may be purchased upon any one exercise of the stock option unless the number of shares purchased at such time is the total number of shares in respect of which the stock option is then exercisable.

(e) In no event will the stock option be exercisable for a fractional share.

### 3. Method of Exercising Option and Payment of Purchase Price.

(a) To exercise the stock option, you must deliver to the Company, from time to time, on any business day after the stock option has become exercisable and before it expires or otherwise terminates, an Exercise Notice specifying the number of shares you then desire to purchase and pay the aggregate purchase price for the shares specified in the Exercise Notice. The purchase price may be paid:

(i) by cash, check, wire transfer, bank draft or postal or express money order to the order of the Company for an amount in United States dollars equal to the aggregate purchase price for the number of shares specified in the Exercise Notice, such payment to be delivered with the Exercise Notice;

(ii) unless limited by the Committee, by tender of shares of T. Rowe Price Group common stock with a value (determined in accordance with paragraph 3(c)) equal to or less than the aggregate purchase price plus cash, check, wire transfer, bank draft or postal or express money order to the order of the Company for an amount in United States dollars equal to the amount, if any, by which the aggregate purchase price exceeds the value of such shares of T. Rowe Price Group common stock (determined in accordance with paragraph 3(c));

(iii) by broker-assisted cashless exercise in accordance with procedures satisfactory to the Committee; or

(iv) by a combination of these methods.

In the case of payment in shares of T. Rowe Price Group common stock, such payment must be made by no later than the end of the first business day after the Exercise Date, by delivery of the necessary share certificates, with executed stock powers attached, or transfer instructions, in the case of shares held in street name by a bank, broker, or other nominee, to the Company or by attestation of ownership in a form satisfactory to the Company, and in each case coupled with payment of any additional amount in cash or in one of the specified forms of acceptable cash equivalents for the balance of the aggregate purchase price.

(b) Within three business days after the Exercise Date and subject to the receipt of the aggregate purchase price and withholding taxes, to the extent required by the Company, the Company will issue to you the number of shares of T. Rowe Price Group common stock with respect to which the stock option shall be so exercised. Unless and until you request the Company to deliver a share certificate to you, or deliver shares electronically or in certificate form to your designated broker, bank or nominee on your behalf, the Company will retain the shares that you purchased through exercise of the stock option in uncertificated book entry form.

(c) For purposes of paragraph 3(a), unless determined otherwise by the Committee in accordance with the Plan, the value of shares of T. Rowe Price Group common stock tendered to exercise the stock option will be the last-reported sale price of such shares on The NASDAQ Stock Market on the Exercise Date, or, if the T. Rowe Price Group common stock is not quoted on The NASDAQ Stock Market on the Exercise Date, as otherwise determined by the Committee in accordance with the Plan.

(d) The Committee may in its discretion place limitations on the extent to which shares of T. Rowe Price Group common stock may be tendered by you as payment of the purchase price pursuant to paragraph 3(a) hereof. There are no provisions in this Agreement for the granting of a replenishment option with respect to any shares of T. Rowe Price Group common stock tendered upon the exercise of the stock option.

(e) In the sole discretion of the Committee, the Company may in lieu of requiring the exercise of the stock option and the payment of the aggregate purchase price, authorize the payment of cash to you in an amount equal to the market value of shares of T. Rowe Price Group common stock subject to the stock option less the aggregate purchase price in exchange for the cancellation of the stock option.

4. [For 2001 SIP] Exercisability Upon the Occurrence of Certain Events. Notwithstanding any provisions limiting exercisability in whole or in part, and unless the Committee shall have otherwise determined (within the limits specified in this paragraph) to revoke or to limit, in its sole and conclusive discretion, the acceleration provided for herein, the following shall apply: the stock option will be exercisable in full for a period of one year (a) following the Effective Date or (b) commencing on the Approval Date. After the expiration of any such one-year period, the stock option shall remain exercisable only to the extent, if any, provided in this Agreement without taking into consideration the effect of this paragraph. The Committee's discretion to revoke or limit the acceleration contemplated by this paragraph may be exercised at any time before or within 20 business days after the Effective Date or the Approval Date referred to in the foregoing clauses (a) or (b). In the event the Approval Date and an Effective Date arise from substantially identical facts and circumstances (as determined by the Committee in its sole discretion) and unless the Committee shall have determined to limit the effect of this sentence, such one-year period (and the 20-day period referred to in the immediately preceding sentence) shall commence only once and upon the first to occur of the Approval Date or the Effective Date.

4. [For 2004 SIP] Exercisability Upon the Occurrence of Certain Events. Notwithstanding any provisions limiting exercisability in whole or in part, and unless the Committee shall have otherwise determined (within the limits specified in this paragraph) to revoke or to limit, in its sole and conclusive discretion, the acceleration provided for herein, the stock option will become exercisable in full immediately following the date on which the Committee no longer may revoke or modify the acceleration contemplated by this paragraph and shall remain exercisable for a one-year period thereafter. After the expiration of any such one-year period, the stock option shall remain exercisable only to the extent, if any, provided in this Agreement without taking into consideration the effect of this paragraph. The Committee's discretion to revoke or limit the acceleration contemplated by this paragraph may be exercised at any time before or within 20 business days after the Effective Date or the Approval Date, as applicable; provided, however, that such discretion to revoke or limit the acceleration may not be exercised after the persons who were directors of the Company immediately before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company. In the event the Approval Date and an Effective Date arise from substantially identical facts and circumstances (as determined by the Committee in its sole discretion) and unless the Committee shall have determined to limit the effect of this sentence, such one-year period (and the 20-day period referred to in the immediately preceding sentence)

shall commence only once and upon the first to occur of the Approval Date or the Effective Date.

5. Termination.

(a) If your Service with the Company ceases for any reason other than death, the portion of the stock option, if any, that is then unexercisable, after giving effect to any acceleration by the Committee pursuant to paragraph 2(c), will terminate immediately upon such cessation.

(b) The stock option, to the extent not earlier exercised or terminated, will terminate and be of no force or effect upon the first occurrence of any one of the following events:

(i) The expiration date set forth in the Notice;

(ii) The expiration of 30 days after termination of your Service with the Company, except in the case of your death or retirement with the consent of the Company. During such 30-day period, you will have the right to exercise the stock option only to the extent exercisable on the date of termination of your Service;

(iii) The expiration of 13 months after the date of your retirement with the consent of the Company. During such 13-month period you will have the right to exercise the stock option to the extent the right to exercise it has accrued prior to your retirement but has not been exercised prior to such retirement, subject, in addition, however, to acceleration by the Committee pursuant to paragraph 2(c); or

(iv) The expiration of 13 months after your date of death if you die (i) while you are in the Service of the Company or (ii) within the period of time after your termination of Service due to retirement or otherwise during which you were entitled to exercise the stock option. During such 13-month period your estate, personal representative or beneficiary will have the right to exercise the stock option in full if you died while in the Service of the Company; otherwise your estate, personal representative or beneficiary will have the right to exercise the stock option during such 13-month period to the extent that the right to exercise had accrued prior to your termination of Service but had not been exercised prior to your death.

(c) Retirement at your normal retirement date or at an optional retirement date in accordance with the provisions of a retirement plan of the Company under which you are then covered will constitute a retirement with the consent of the Company for the purposes of this Agreement. The Committee has absolute and uncontrolled discretion to determine whether any other termination of your employment is to be considered as retirement with the consent of the Company for the purposes of this Agreement and whether an authorized leave of absence or absence on military or government service or otherwise shall constitute a termination of employment for the purposes of this Agreement. Employment by the Company will be deemed to include employment of you by, and to continue during any period in which you are in the employ of, an Affiliate of the Company. Unless determined otherwise by the Committee, if the Affiliate with which you are employed ceases to be an entity in which the Company maintains a proprietary interest by reason of stock ownership or otherwise, you will be considered to have

had a termination of employment for purposes of this Agreement upon such cessation. Any determination made by the Committee with respect to any matter referred to in this paragraph 5 will be final and conclusive on all persons affected thereby.

6. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your at-will or other employment status with the Company, nor be construed as a contract of employment between the Company and you, or as a contractual right of you to continue in the employ of the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any portion of the stock option or any other adverse effect on your interests under the Plan.

7. Assignability. Unless the Committee determines otherwise, you may not transfer this stock option except by will or under the laws of descent and distribution, and only you or your legal representative may exercise this stock option during your lifetime. With the exception of a transfer by will, by the laws of descent and distribution or with express advance consent of the Committee, no assignment or transfer of this stock option, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon any attempt to assign or transfer this stock option the same shall terminate and be of no force or effect.

8. The Company's Rights. The existence of this stock option will not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the T. Rowe Price Group common stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.

9. Recapitalization. The shares with respect to which this stock option is granted are shares of the T. Rowe Price Group common stock as constituted on the date of this Agreement, but if, and whenever, prior to the delivery by the Company of all of the shares of T. Rowe Price Group common stock with respect to which this stock option is granted, the Company shall effect a subdivision or consolidation of shares, or other capital readjustment, or the payment of a stock dividend, or other increase or decrease in the number of shares of T. Rowe Price Group common stock outstanding, without receiving compensation therefor in money, services or property, then (a) in the event of any increase in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to this stock option will be proportionately increased (except that any fraction of a share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately reduced, and (b) in the event of a reduction in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to this stock option will be proportionately reduced (except that any fractional share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately increased.

10. Merger and Consolidation. After a merger of one or more corporations into the Company, or after a consolidation of the Company and one or more corporations in which the Company is the surviving or resulting corporation, you will, at no additional cost, be entitled upon any exercise of this stock option, to receive (subject to any required action by stockholders) in lieu of the number of shares as to which this stock option shall then be so exercised, the number and class of shares of stock or other securities to which you would have been entitled pursuant to the terms of the agreement of merger or consolidation, if, immediately prior to such merger or consolidation, you had been the holder of record of a number of shares of T. Rowe Price Group common stock equal to the number of shares as to which such stock option shall be so exercised; provided, that anything herein contained to the contrary notwithstanding, upon the dissolution or liquidation of the Company, or upon any merger or consolidation, in which the Company is not the surviving or resulting corporation, this stock option will terminate and be of no force or effect, except to the extent that such surviving or resulting corporation may issue a substituted option.

11. Preemption of Applicable Laws or Regulations. Anything in this Agreement to the contrary notwithstanding, if, at any time specified herein for the issue of shares to you, any law, regulation or requirements of any governmental authority having jurisdiction in the premises shall require either the Company or you to take any action in connection with the shares then to be issued, the issue of such shares will be deferred until such action shall have been taken.

12. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the shares of T. Rowe Price Group common stock subject to the stock option until such shares have been issued to you upon the due exercise of the stock option. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such shares are issued to you.

13. Amendments. The Committee shall have the right, in its absolute and uncontrolled discretion, to alter or amend this Agreement, from time to time in any manner for the purpose of promoting the objectives of the Plan but only if all agreements granting options to purchase shares of T. Rowe Price Group common stock pursuant to the Plan which are in effect and not wholly exercised at the time of such alteration or amendment shall also be similarly altered or amended with substantially the same effect, and any alteration or amendment of this Agreement by the Committee shall, upon adoption thereof by the Committee, become and be binding and conclusive on all persons affected thereby without requirement for consent or other action with respect thereto by any such person. The Company will give written notice to you of any such alteration or amendment of this Agreement by the Committee as promptly as practical after the adoption thereof. The foregoing shall not restrict the ability of you and the Company by mutual consent to alter or amend this Agreement in any manner which is consistent with the Plan and approved by the Committee.

14. Notice. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company, or addressed to the Committee, care of the Company for the attention of its Payroll and Stock Transaction Group in the CFO-Finance Department at the Company's principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

15. Electronic Delivery of Documents. The Company may electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the stock option, any amendments to the Agreement, and any reports of the Company provided generally to the Company's stockholders. You may receive from the Company, at no cost to you, a paper copy of any electronically delivered documents by contacting the Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

16. Recoupment. The terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, adopted by the Board of Directors of the Company effective April 14, 2010 (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your stock option if you on the date of grant are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

17. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the stock option granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of the Notice correlating to these Terms with respect to the stock option granted hereunder shall be void and ineffective for all purposes.

18. Non-Qualified Nature of the Option.

The stock option granted under this Agreement shall not be treated as an incentive stock option within the meaning of Internal Revenue Code section 422.

19. Withholding of Taxes.

(a) At the time the stock option is exercised, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll or any other payment of any kind due you and otherwise agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the stock option. The Company may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the stock option. If you do not make such payment when requested, the Company may refuse to issue any stock or stock certificate under the Plan until arrangements satisfactory to the Company for such payment have been made.

(b) The Company may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the stock option either by electing to have the Company withhold from the shares to be issued upon exercise that number of shares, or by electing to deliver to the Company already-owned shares, in either case having a fair market value equal to no more than the amount necessary to satisfy the statutory minimum withholding amount due.

20. Conformity with Plan. These Terms are intended to conform in all respects with, and are subject to all applicable provisions of, the Plan. Except as may be necessary to give effect to the amendment provisions of paragraph 13 of these Terms, any inconsistencies between these Terms and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in these Terms or any matters as to which these Terms are silent,

the Plan shall govern. A copy of the Plan is available at <https://www2.troweprice.com/options> or in hard copy upon request to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

21. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect hereto will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction and venue thereof.

22. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, this Agreement shall be determined by the Committee in its absolute and uncontrolled discretion, and any such determination or any other determination by the Committee under or pursuant to this Agreement and any interpretation by the Committee of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby.

23. No Future Entitlement. By execution of the Notice, you acknowledge and agree that: (i) the grant of a stock option is a one-time benefit which does not create any contractual or other right to receive future grants of stock options, or compensation in lieu of stock options, even if stock options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when stock options shall be granted or shall become exercisable, the maximum number of shares subject to each stock option, and the purchase price, will be at the sole discretion of the Committee; (iii) the value of the stock option is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the stock option is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the stock option ceases upon termination of Service with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided this Agreement; (vi) if the underlying stock does not increase in value, this stock option will have no value, nor does the Company guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if the stock option does not increase in value and you irrevocably release the Company from any such claim that does arise.

24. Personal Data. For the exclusive purpose of implementing, administering and managing the stock option, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the stock option and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country

may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the stock option. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a stock option.

25. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

*{Glossary begins on next page}*

## GLOSSARY

(a) "**Affiliate**" means any entity, whether now or hereafter existing, in which the Company has a proprietary interest by reason of stock ownership or otherwise (including, but not limited to, joint ventures, limited liability companies, and partnerships) or any entity that provides services to the Company or a subsidiary or affiliated entity of the Company.

(b) "**Agreement**" means the contract consisting of the Notice, the Terms and the Plan.

(c) [For 2001 SIP] "**Approval Date**" means the date of the approval of the Company's Board of Directors of an agreement providing for a merger, consolidation, sale or disposition of all or substantially all of the assets of the Company, or other form of extraordinary business combination as a result of the consummation of which stockholders of the Company immediately before the Approval Date will own less than a majority of the outstanding voting stock of the resulting organization.

(c) [For 2004 SIP] "**Approval Date**" means the date of the approval of the Company's Board of Directors of an agreement providing for an exchange offer, merger, consolidation or other business combination, sale or disposition of all or substantially all of the assets of the Company, or any combination of the foregoing transactions as a result of the consummation of which the persons who were directors of the Company immediately before the transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company or the persons who were stockholders of the Company immediately before the Approval Date will own less than a majority of the outstanding voting stock of the Company or any successor to the Company.

(d) "**Change of Control**". A "Change of Control" shall be deemed to have taken place on the date of the earlier to occur of either of the following events: (i) a third party, including a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, becomes the beneficial owner of 25% or more of the Company's outstanding common stock, or (ii) as the result of, or in connection with, any cash tender or exchange offer, merger, consolidation or other business combination, sale or disposition of all or substantially all of the Company's assets, or contested election, or any combination of the foregoing transactions (a "**Transaction**"), the persons who were directors of the Company immediately before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company or the persons who were stockholders of the Company immediately before the Transaction shall cease to own at least a majority of the outstanding voting stock of the Company or any successor to the Company.

(e) "**Committee**" means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc. or such committee or committees appointed by the Board to administer the Plan.

(f) "**Company**" means T. Rowe Price Group, Inc. and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change of Control has occurred, Company shall mean only T. Rowe Price Group, Inc.

(g) "**Effective Date**" means the date on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs, and if your Service had terminated prior to the date on which the Change of Control occurred, and if it is reasonably demonstrated by you that such termination of Service either was at the request of a third party who had taken steps reasonably calculated to effect the Change of Control or otherwise arose in connection with or in anticipation of the Change of Control, then, for all purposes of this Agreement, the term "Effective Date" shall mean the date immediately prior to the date of such termination of Service.

(h) "**Exercise Date**" means the business day upon which you deliver to the Company the Exercise Notice and payment of the aggregate purchase price for the shares specified therein in accordance with the requirements of paragraph 3(a); provided that all of the conditions of the Agreement are satisfied.

(i) "**Exercise Notice**" means the written notice, in such form as may be required from time to time by the Committee, specifying the number of shares you desire to purchase under the stock option.

(j) "**Notice**" means the Notice of Grant of Stock Options and Option Agreement which correlates with these Terms and sets forth the specifics of the applicable stock option grant.

(k) "**Plan**" means the T. Rowe Price Group, Inc. [2001][2004] Stock Incentive Plan.

(l) "**Service**" means your employment with the Company or any of its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed is not T. Rowe Price Group, Inc. or an Affiliate of T. Rowe Price Group, Inc.

(m) "**You**"; "**Your**". You means the recipient of the stock option as reflected in the Notice. Whenever the word "you" or "your" is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the stock option may be transferred by will or by the laws of descent and distribution or otherwise pursuant to the terms of this Agreement, the words "you" and "your" shall be deemed to include such person.

{end of document}

T. ROWE PRICE GROUP, INC. 2004 STOCK INCENTIVE PLAN

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STATEMENT OF ADDITIONAL TERMS AND CONDITIONS  
REGARDING REPLENISHMENT OPTION GRANTS  
(EMPLOYEES)

Made on or after May 1, 2010

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This Statement of Additional Terms and Conditions Regarding Replenishment Option Grants (the "**Terms**") and all of the provisions of the T. Rowe Price Group, Inc. 2004 Stock Incentive Plan (the "**Plan**") are incorporated into your grant of a non-qualified stock option, the specifics of which are described on the "Notice of Grant of Replenishment Stock Options and Option Agreement" (the "**Notice**") that you received. Once the Notice has been executed by you and by an authorized officer or agent of T. Rowe Price Group, Inc., the Terms, the Plan, and the Notice, together, constitute a binding and enforceable contract respecting your grant of a non-qualified stock option. That contract is referred to in this document as the "**Agreement**."

1. Terminology. Capitalized words used in this document are defined in the Glossary at the end of this document.

2. Stock Option Exercise Rights.

(a) This stock option is immediately exercisable in full and may be exercised by you, in whole or in part, at any time before the stock option expires or is otherwise terminated.

(b) No less than 100 shares of T. Rowe Price Group common stock may be purchased upon any one exercise of the stock option unless the number of shares purchased at such time is the total number of shares in respect of which the stock option is then exercisable.

(c) In no event will the stock option be exercisable for a fractional share.

(d) In no event will any additional replenishment options be granted upon the exercise of this stock option.

3. Method of Exercising Option and Payment of Purchase Price.

(a) To exercise the stock option, you must deliver to the Company, from time to time, on any business day after the stock option has become exercisable and before it expires or otherwise terminates, an Exercise Notice specifying the number of shares you then

desire to purchase and pay the aggregate purchase price for the shares specified in the Exercise Notice. The purchase price may be paid:

(i) by cash, check, wire transfer, bank draft or postal or express money order to the order of the Company for an amount in United States dollars equal to the aggregate purchase price for the number of shares specified in the Exercise Notice, such payment to be delivered with the Exercise Notice;

(ii) unless limited by the Committee, by tender of shares of T. Rowe Price Group common stock with a value (determined in accordance with paragraph 3(c)) equal to or less than the aggregate purchase price plus cash, check, wire transfer, bank draft or postal or express money order to the order of the Company for an amount in United States dollars equal to the amount, if any, by which the aggregate purchase price exceeds the value of such shares of T. Rowe Price Group common stock (determined in accordance with paragraph 3(c));

(iii) by broker-assisted cashless exercise in accordance with procedures satisfactory to the Committee; or

(iv) by a combination of these methods.

In the case of payment in shares of T. Rowe Price Group common stock, such payment must be made by no later than the end of the first business day after the Exercise Date, by delivery of the necessary share certificates, with executed stock powers attached, or transfer instructions, in the case of shares held in street name by a bank, broker, or other nominee, to the Company or by attestation of ownership in a form satisfactory to the Company, and in each case coupled with payment of any additional amount in cash or in one of the specified forms of acceptable cash equivalents for the balance of the aggregate purchase price.

(b) Within three business days after the Exercise Date and subject to the receipt of the aggregate purchase price and withholding taxes, to the extent required by the Company, the Company will issue to you the number of shares of T. Rowe Price Group common stock with respect to which the stock option shall be so exercised. Unless and until you request the Company to deliver a share certificate to you, or deliver shares electronically or in certificate form to your designated broker, bank or nominee on your behalf, the Company will retain the shares that you purchased through exercise of the stock option in uncertificated book entry form.

(c) For purposes of paragraph 3(a), unless determined otherwise by the Committee in accordance with the Plan, the value of shares of T. Rowe Price Group common stock tendered to exercise the stock option will be the last-reported sale price of such shares on The NASDAQ Stock Market on the Exercise Date, or, if the T. Rowe Price Group common stock is not quoted on The NASDAQ Stock Market on the Exercise Date, as otherwise determined by the Committee in accordance with the Plan.

(d) The Committee may in its discretion place limitations on the extent to which shares of T. Rowe Price Group common stock may be tendered by you as payment of the purchase price pursuant to paragraph 3(a) hereof. There are no provisions in this Agreement for the granting of a replenishment option with respect to any shares of T. Rowe Price Group common stock tendered upon the exercise of the stock option.

(e) In the sole discretion of the Committee, the Company may in lieu of requiring the exercise of the stock option and the payment of the aggregate purchase price, authorize the payment of cash to you in an amount equal to the market value of shares of T. Rowe Price Group common stock subject to the stock option less the aggregate purchase price in exchange for the cancellation of the stock option.

#### 4. Termination.

(a) The stock option, to the extent not earlier exercised or terminated, will terminate and be of no force or effect upon the first occurrence of any one of the following events:

(i) The expiration date set forth in the Notice;

(ii) The expiration of 30 days after termination of your Service with the Company, except in the case of your death or retirement with the consent of the Company;

(iii) The expiration of 13 months after the date of your retirement with the consent of the Company; or

(iv) The expiration of 13 months after your date of death if you die (i) while you are in the Service of the Company or (ii) within the period of time after your termination of Service due to retirement or otherwise during which you were entitled to exercise the stock option.

(b) Retirement at your normal retirement date or at an optional retirement date in accordance with the provisions of a retirement plan of the Company under which you are then covered will constitute a retirement with the consent of the Company for the purposes of this Agreement. The Committee has absolute and uncontrolled discretion to determine whether any other termination of your employment is to be considered as retirement with the consent of the Company for the purposes of this Agreement and whether an authorized leave of absence or absence on military or government service or otherwise shall constitute a termination of employment for the purposes of this Agreement. Employment by the Company will be deemed to include employment of you by, and to continue during any period in which you are in the employ of, an Affiliate of the Company. Unless determined otherwise by the Committee, if the Affiliate with which you are employed ceases to be an entity in which the Company maintains a proprietary interest by reason of stock ownership or otherwise, you will be considered to have had a termination of employment for purposes of this Agreement upon such cessation. Any determination made by the Committee with respect to any matter referred to in this paragraph 4 will be final and conclusive on all persons affected thereby.

5. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your at-will or other employment status with the Company, nor be construed as a contract of employment between the Company and you, or as a contractual right of you to continue in the employ of the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any portion of the stock option or any other adverse effect on your interests under the Plan.

6. Assignability. Unless the Committee determines otherwise, you may not transfer this stock option except by will or under the laws of descent and distribution, and only you or your legal representative may exercise this stock option during your lifetime. With the exception of a transfer by will, by the laws of descent and distribution or with express advance consent of the Committee, no assignment or transfer of this stock option, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon any attempt to assign or transfer this stock option the same shall terminate and be of no force or effect.

7. The Company's Rights. The existence of this stock option will not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the T. Rowe Price Group common stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.

8. Recapitalization. The shares with respect to which this stock option is granted are shares of the T. Rowe Price Group common stock as constituted on the date of this Agreement, but if, and whenever, prior to the delivery by the Company of all of the shares of T. Rowe Price Group common stock with respect to which this stock option is granted, the Company shall effect a subdivision or consolidation of shares, or other capital readjustment, or the payment of a stock dividend, or other increase or decrease in the number of shares of T. Rowe Price Group common stock outstanding, without receiving compensation therefor in money, services or property, then (a) in the event of any increase in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to this stock option will be proportionately increased (except that any fraction of a share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately reduced, and (b) in the event of a reduction in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to this stock option will be proportionately reduced (except that any fractional share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately increased.

9. Merger and Consolidation. After a merger of one or more corporations into the Company, or after a consolidation of the Company and one or more corporations in which the Company is the surviving or resulting corporation, you will, at no additional cost, be entitled upon any exercise of this stock option, to receive (subject to any required action by stockholders) in lieu of the number of shares as to which this stock option shall then be so exercised, the number and class of shares of stock or other securities to which you would have been entitled pursuant to the terms of the agreement of merger or consolidation, if, immediately prior to such merger or consolidation, you had been the holder of record of a number of shares of T. Rowe Price Group common stock equal to the number of shares as to which such stock option shall be so exercised; provided, that anything herein contained to the contrary notwithstanding, upon the dissolution or liquidation of the Company, or upon any merger or consolidation, in which the Company is not the surviving or resulting corporation, this stock option will terminate and be of no force or effect, except to the extent that such surviving or resulting corporation may issue a substituted option.

10. Preemption of Applicable Laws or Regulations. Anything in this Agreement to the contrary notwithstanding, if, at any time specified herein for the issue of shares to you, any law, regulation or requirements of any governmental authority having jurisdiction in the premises shall require either the Company or you to take any action in connection with the shares then to be issued, the issue of such shares will be deferred until such action shall have been taken.

11. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the shares of T. Rowe Price Group common stock subject to the stock option until such shares have been issued to you upon the due exercise of the stock option. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such shares are issued to you.

12. Amendments. The Committee shall have the right, in its absolute and uncontrolled discretion, to alter or amend this Agreement, from time to time in any manner for the purpose of promoting the objectives of the Plan but only if all agreements granting options to purchase shares of T. Rowe Price Group common stock pursuant to the Plan which are in effect and not wholly exercised at the time of such alteration or amendment shall also be similarly altered or amended with substantially the same effect, and any alteration or amendment of this Agreement by the Committee shall, upon adoption thereof by the Committee, become and be binding and conclusive on all persons affected thereby without requirement for consent or other action with respect thereto by any such person. The Company will give written notice to you of any such alteration or amendment of this Agreement by the Committee as promptly as practical after the adoption thereof. The foregoing shall not restrict the ability of you and the Company by mutual consent to alter or amend this Agreement in any manner which is consistent with the Plan and approved by the Committee.

13. Notice. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company, or addressed to the Committee, care of the Company for the attention of its Payroll and Stock Transaction Group in the CFO-Finance Department at the Company's principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

14. Electronic Delivery of Documents. The Company may electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the stock option, any amendments to the Agreement, and any reports of the Company provided generally to the Company's stockholders. You may receive from the Company, at no cost to you, a paper copy of any electronically delivered documents by contacting the Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

15. Recoupment. The terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, adopted by the Board of Directors of the Company effective April 14, 2010 (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your stock option if you on the date of grant are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

16. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the stock option granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of the Notice correlating to these Terms with respect to the stock option granted hereunder shall be void and ineffective for all purposes.

17. Non-Qualified Nature of the Option.

The stock option granted under this Agreement shall not be treated as an incentive stock option within the meaning of Internal Revenue Code section 422.

18. Withholding of Taxes.

(a) At the time the stock option is exercised, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll or any other payment of any kind due you and otherwise agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the stock option. The Company may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the stock option. If you do not make such payment when requested, the Company may refuse to issue any stock or stock certificate under the Plan until arrangements satisfactory to the Company for such payment have been made.

(b) The Company may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the stock option either by electing to have the Company withhold from the shares to be issued upon exercise that number of shares, or by electing to deliver to the Company already-owned shares, in either case having a fair market value equal to no more than the amount necessary to satisfy the statutory minimum withholding amount due.

19. Conformity with Plan. These Terms are intended to conform in all respects with, and are subject to all applicable provisions of, the Plan. Except as may be necessary to give effect to the amendment provisions of paragraph 12 of these Terms, any inconsistencies between these Terms and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in these Terms or any matters as to which these Terms are silent, the Plan shall govern. A copy of the Plan is available at <https://www2.troweprice.com/options> or in hard copy upon request to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.

20. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect hereto will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction and venue thereof.

21. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, this Agreement shall be determined by the Committee in its absolute and uncontrolled discretion, and any such determination or any other determination by

the Committee under or pursuant to this Agreement and any interpretation by the Committee of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby.

22. No Future Entitlement. By execution of the Notice, you acknowledge and agree that: (i) the grant of a stock option is a one-time benefit which does not create any contractual or other right to receive future grants of stock options, or compensation in lieu of stock options, even if stock options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when stock options shall be granted or shall become exercisable, the maximum number of shares subject to each stock option, and the purchase price, will be at the sole discretion of the Committee; (iii) the value of the stock option is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the stock option is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) if the underlying stock does not increase in value, this stock option will have no value, nor does the Company guarantee any future value; and (vi) no claim or entitlement to compensation or damages arises if the stock option does not increase in value and you irrevocably release the Company from any such claim that does arise.

23. Personal Data. For the exclusive purpose of implementing, administering and managing the stock option, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the stock option and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the stock option. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a stock option.

24. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

*{Glossary begins on next page}*

## GLOSSARY

(a) “**Affiliate**” means any entity, whether now or hereafter existing, in which the Company has a proprietary interest by reason of stock ownership or otherwise (including, but not limited to, joint ventures, limited liability companies, and partnerships) or any entity that provides services to the Company or a subsidiary or affiliated entity of the Company.

(b) “**Agreement**” means the contract consisting of the Notice, the Terms and the Plan.

(c) “**Committee**” means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc. or such committee or committees appointed by the Board to administer the Plan.

(d) “**Company**” means T. Rowe Price Group, Inc. and its Affiliates, except where the context otherwise requires.

(e) “**Exercise Date**” means the business day upon which you deliver to the Company the Exercise Notice and payment of the aggregate purchase price for the shares specified therein in accordance with the requirements of paragraph 3(a); provided that all of the conditions of the Agreement are satisfied.

(f) “**Exercise Notice**” means the written notice, in such form as may be required from time to time by the Committee, specifying the number of shares you desire to purchase under the stock option.

(g) “**Notice**” means the Notice of Grant of Stock Options and Option Agreement which correlates with these Terms and sets forth the specifics of the applicable stock option grant.

(h) “**Plan**” means the T. Rowe Price Group, Inc. 2004 Stock Incentive Plan.

(i) “**Service**” means your employment with the Company or any of its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed is not T. Rowe Price Group, Inc. or an Affiliate of T. Rowe Price Group, Inc.

(j) “**You**”; “**Your**”. You means the recipient of the stock option as reflected in the Notice. Whenever the word “you” or “your” is used in any provision of this Agreement under circumstances where the provision should logically be construed, as determined by the Committee, to apply to the estate, personal representative, or beneficiary to whom the stock option may be transferred by will or by the laws of descent and distribution or otherwise pursuant to the terms of this Agreement, the words “you” and “your” shall be deemed to include such person.

{end of document}

**T. ROWE PRICE GROUP, INC. 2004 STOCK INCENTIVE PLAN**  
HM REVENUE AND CUSTOMS APPROVED SUB-PLAN FOR THE UK  
STATEMENT OF ADDITIONAL TERMS AND CONDITIONS  
REGARDING OPTION GRANTS  
Effective on and after May 1, 2010

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This Statement of Additional Terms and Conditions Regarding the Option Grants (the "**Terms**") and all of the provisions of the HM Revenue and Customs Approved Sub-Plan for the UK (the "**Sub-Plan**") under the T. Rowe Price Group, Inc. 2004 Stock Incentive Plan (the "**Plan**") are incorporated into the grant of your Option, the specifics of which are described on the "Notice of Grant of Stock Options and Option Agreement" (the "**Notice**") that you received. Once the Notice has been executed by you and by an authorized officer or agent of T. Rowe Price Group, Inc., the Sub-Plan and the Notice, together, constitute a binding and enforceable contract respecting the grant of an Option. That contract is referred to in this document as the "**Agreement**."

1. Terminology. Capitalized words used in these Terms are defined in the relevant text or in the Glossary at the end of these Terms.
  2. Option Exercise Rights.
    - (a) So long as your Service is continuous from the date of grant through the applicable date upon which vesting is scheduled to occur, the Option will become exercisable in installments, for the number of shares so specified, on the vesting dates set forth in the correlating Notice.
    - (b) To the extent not exercised, installments will accumulate and be exercisable by you, in whole or in part, at any time before the Option expires or is otherwise terminated.
    - (c) No less than 100 shares of T. Rowe Price Group common stock may be purchased upon any one exercise of the Option unless the number of shares purchased at such time is the total number of shares in respect of which the Option is then exercisable.
    - (d) In no event will the Option be exercisable for a fractional share.
  3. Method of Exercising Option and Payment of Exercise Price.
    - (a) Method of Exercise. To exercise the Option, you must deliver to the Company, from time to time, on any business day after the Option has become exercisable and before it expires or otherwise terminates, an Exercise Notice specifying the
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number of shares you then desire to purchase and pay the aggregate exercise price for the shares specified in the Exercise Notice. The exercise price may be paid:

- (i) by cash, check, wire transfer, bank draft or postal or express money order to the order of the Company for an amount in United States dollars equal to the aggregate exercise price for the number of shares specified in the Exercise Notice, such payment to be delivered with the Exercise Notice;
  - (ii) by broker-assisted cashless exercise, under which the broker delivers loan proceeds to pay the exercise price, in accordance with procedures satisfactory to the Committee; or
  - (iii) by a combination of these methods.
- (b) Issuance of Shares. Within three business days after the Exercise Date and subject to the receipt of the aggregate exercise price and withholding taxes, to the extent required by the Company, the Company will issue to you the number of shares of T. Rowe Price Group common stock with respect to which the Option shall be so exercised. Unless and until you request the Company to deliver a share certificate, or deliver shares electronically or in certificate form to a designated broker, bank or nominee on your behalf, the Company will retain the shares purchased through exercise of the Option in uncertificated book entry form.

4. Termination.

- (a) If your Service with the Company ceases for any reason other than death, the portion of the Option, if any, that is then unexercisable will terminate immediately upon such cessation.
- (b) The Option, to the extent not earlier exercised or terminated, will terminate and be of no force or effect upon the first occurrence of any one of the following events:
  - (i) The expiration date set forth in the Notice;
  - (ii) The expiration of 30 days after termination of your Service with the Company, except in the case of your death or retirement. During such 30-day period, you will have the right to exercise the Option only to the extent exercisable on the date of termination of your Service;
  - (iii) The expiration of 13 months after the date of your retirement. During such 13-month period, you will have the right to exercise the Option to the extent the right to exercise it has accrued prior to your retirement but has not been exercised prior to such retirement; or
  - (iv) The expiration of 12 months after the date of your death if said death occurs (i) while you are in the Service of the Company or (ii) within the period of time after termination of Service due to retirement or otherwise

during which you were entitled to exercise the Option. During such 12-month period your personal representative will have the right to exercise the Option in full if you died while in the Service of the Company; otherwise your personal representative will have the right to exercise the Option during such 12-month period to the extent that the right to exercise had accrued prior to your termination of Service but had not been exercised prior to his death.

- (c) Retirement at your normal retirement date or at an optional retirement date in accordance with the provisions of a retirement plan of the Company under which you are then covered shall constitute a retirement for the purposes of this Agreement. Employment by the Company shall be deemed to include employment of you by, and to continue during any period in which you are in the employ of any Participating Company. If the entity with which you are employed ceases to be an entity in which the Company maintains a proprietary interest by reason of stock ownership or otherwise, you will be considered to have had a termination of employment for purposes of this Agreement upon such cessation. Any determination made by the Committee with respect to any matter referred to in this rule 5 shall be final and conclusive on all persons affected thereby.
- 5. Non-Guarantee of Employment. Nothing in this Agreement shall alter your at-will or other employment status with the Company, nor be construed as a contract of employment between the Company and you, or as a contractual right of you to continue in the employ of the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without cause or notice and whether or not such discharge results in the forfeiture of any portion of the Option or any other adverse effect on your interests under the Plan or the Sub-Plan.
- 6. Assignability. The Option is not transferable by you and is exercisable during your lifetime only by you. No assignment or transfer of the Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise except on death shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon any attempt to assign or transfer this Option the same shall terminate and be of no force or effect.
- 7. The Company's Rights. The existence of an Option shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the T. Rowe Price Group common stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.
- 8. Recapitalization. Subject to rule 28 of the Sub-Plan, providing approval has been obtained from HM Revenue and Customs in advance, the shares with respect to which an Option is granted are shares of the T. Rowe Price Group common stock as constituted on the date of this Agreement, but if, and whenever, prior to the delivery by the Company of all of the shares of T. Rowe Price Group common stock with respect to

which the Option is granted, the Company shall effect a subdivision or consolidation of shares, or other capital readjustment, or other increase or decrease in the number of shares of T. Rowe Price Group common stock outstanding, without receiving compensation therefore in money, services or property, then (a) in the event of any increase in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to the Option will be proportionately increased (except that any fraction of a share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately reduced, and (b) in the event of a reduction in the number of such shares outstanding, the number of shares of T. Rowe Price Group common stock then remaining subject to the Option will be proportionately reduced (except that any fractional share resulting from any such adjustment will be excluded from the operation of this Agreement), and the cash consideration payable per share will be proportionately increased.

9. Preemption of Applicable Laws or Regulations. Anything in this Agreement to the contrary notwithstanding, if, at any time specified herein for the issue of shares to you any law, regulation or requirements of any governmental authority having jurisdiction in the premises shall require either the Company or you to take any action in connection with the \_\_\_\_\_ shares then to be issued, the issue of such shares will be deferred until such action shall have been taken.
10. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the shares of T. Rowe Price Group common stock subject to the Option until such shares have been issued to you upon the due exercise of the Option. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such shares are issued to you.
11. Amendments. Notwithstanding Section 7(c) of the Plan, no amendments to a Key Feature of the Sub-Plan, whether taking the form of an amendment of the Plan or this schedule, shall take effect until they have been approved by HM Revenue and Customs. Subject to this, the Committee shall have the right, in its absolute and uncontrolled discretion, to alter or amend this Agreement, from time to time in any manner for the purpose of promoting the objectives of the Sub-Plan but only if all agreements granting options to purchase shares of T. Rowe Price Group common stock pursuant to the Sub-Plan which is in effect and not wholly exercised at the time of such alteration or amendment shall also be similarly altered or amended with substantially the same effect, and any alteration or amendment of this Agreement by the Committee shall, upon adoption thereof by the Committee, become and be binding and conclusive on all persons affected thereby without requirement for consent or other action with respect thereto by any such person. The Company shall give written notice to you of any such alteration or amendment of this Agreement by the Committee as promptly as practical after the adoption thereof. The foregoing shall not restrict the ability of you and the Company by mutual consent to alter or amend this Agreement in any manner which is consistent with the Sub-Plan and approved by the Committee and the Board of HM Revenue and Customs.
12. Notice. All notices and other communications made or given pursuant to this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by certified mail, addressed to you at the address contained in the records of the Company,

or addressed to the Committee, care of the Company for the attention of its Payroll and Stock Transaction Group in the CFO-Finance Department at the Company's principal executive office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

13. Electronic Delivery of Documents. The Company may electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan, the Sub-Plan, or the Option, any amendments to the Agreement, and any reports of the Company provided generally to the Company's stockholders. You may receive from the Company, at no cost to you, a paper copy of any electronically delivered documents by contacting the Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office or by telephone, at extension 7716.
14. Recoupment. The terms and conditions of the Company's Policy for Recoupment of Incentive Compensation, adopted by the Board of Directors of the Company effective April 14, 2010 (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your stock option if you on the date of grant are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.
15. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the Option granted hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of the Notice correlating to these Terms with respect to the Option granted hereunder shall be void and ineffective for all purposes.
16. Non-Qualified Nature of the Option. The Option granted under this Agreement shall not be treated as an "incentive stock option" within the meaning of United States Internal Revenue Code section 422 unless so designated at the Date of Grant.
17. Veto on Transfers of Shares. Any power to refuse to register transfers of shares of T. Rowe Price Group common stock vested in the Board of Directors under the Company's By-Laws will not be exercised in such a way as to discriminate against persons participating in the Sub-Plan.
18. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Committee relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Maryland, without regard to its provisions concerning the applicability of laws of other jurisdictions. Any suit with respect hereto will be brought in the federal or state courts in the districts which include Baltimore, Maryland, and you hereby agrees and submits to the personal jurisdiction and venue thereof.
19. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to, this Agreement shall be determined by the Committee in its absolute and uncontrolled discretion, and any such determination or any other determination by the Committee under or pursuant to this Agreement and any

interpretation by the Committee of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby.

20. **No Future Entitlement.** By execution of the Notice, you acknowledge and agree that: (i) the grant of an Option is a one-time benefit which does not create any contractual or other right to receive future grants of Options, or compensation in lieu of Options, even if Options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when Options shall be granted or shall become exercisable, the maximum number of shares subject to each Option, and the exercise price, will be at the sole discretion of the Committee; (iii) the value of the Option is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of the Option is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of the Option ceases upon termination of Service with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided this Agreement; (vi) if the underlying stock does not increase in value, the Option will have no value, nor does the Company guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if the Option does not increase in value and you irrevocably release the Company from any such claim that does arise.
21. **Personal Data.** For the exclusive purpose of implementing, administering and managing the Option, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of the Option and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage the Option. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Payroll and Stock Transaction Group in the CFO-Finance Department at BA-0372 in the Baltimore office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an Option.
22. **Headings.** The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

*{Glossary begins on next page}*

## GLOSSARY

- (a) "**Agreement**" means the contract consisting of the Notice, the Terms, the Sub-Plan and the Plan;
- (b) "**Committee**" means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc. or such committee or committees appointed by the Board to administer the Plan;
- (c) "**Exercise Date**" means the business day upon which you deliver to the Company the Exercise Notice and payment of the aggregate exercise price for the shares specified therein in accordance with the requirements of paragraph 3(a); provided that all of the conditions of the Agreement are satisfied;
- (d) "**Exercise Notice**" means the written notice, in such form as may be required from time to time by the Committee, specifying the number of shares you desire to purchase under the Option;
- (e) "**Key Feature**" means a provision of the Plan which is necessary in order to meet the requirements of Schedule 4;
- (f) "**Notice**" means the Notice of Grant of Stock Options and Option Agreement which correlates with these Terms and sets forth the specifics of the applicable Option grant;
- (g) "**Participating Company**" means a company participating in the Sub-Plan as defined in rule 8 of the Sub-Plan;
- (h) "**Plan**" means the T. Rowe Price Group, Inc. 2004 Stock Incentive Plan;
- (i) "**Schedule 4**" means Schedule 4 to ITEPA 2003;
- (j) "**Service**" means your employment with the Company or a Participating Company. Your Service will be considered to have ceased with the Company and any Participating Company if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed is not T. Rowe Price Group, Inc. or a company under the control of T. Rowe Price Group, Inc. For this purpose, control is defined in rule 7 of the Sub-Plan; and
- (k) "**Sub-Plan**" means the HM Revenue and Customs Approved Sub-Plan for the UK created under the Plan.

{end of document}

Exhibit 15 Letter from KPMG LLP, independent registered public accounting firm,  
**re unaudited interim financial information**

T. Rowe Price Group, Inc.  
100 East Pratt Street  
Baltimore, Maryland 21202

Re: Registration Statements on Form S-8: No. 33-7012, No. 33-72568, No. 333-20333, No. 333-90967, No. 333-59714, No. 333-120882, No. 333-120883,  
No. 333-142092, and No. 333-167317.

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated July 23, 2010 related to our review of  
interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an  
independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of  
sections 7 and 11 of the Act.

/s/ KPMG LLP

Baltimore, Maryland  
July 23, 2010

**Exhibit 31(i).1 Rule 13a-14(a) Certification of Principal Executive Officer**

I, James A. C. Kennedy, certify that:

1. I have reviewed this Form 10-Q Quarterly Report for the quarterly period ended June 30, 2010, of T. Rowe Price Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 23, 2010

/s/ James A.C. Kennedy

Chief Executive Officer and President

**Exhibit 31(i).2 Rule 13a-14(a) Certification of Principal Financial Officer**

I, Kenneth V. Moreland, certify that:

1. I have reviewed this Form 10-Q Quarterly Report for the quarterly period ended June 30, 2010, of T. Rowe Price Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 23, 2010

/s/ Kenneth V. Moreland

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Vice President and Chief Financial Officer

We certify, to the best of our knowledge, based upon a review of the Form 10-Q Quarterly Report for the quarterly period ended June 30, 2010, of T. Rowe Price Group, Inc., that:

- (1) The Form 10-Q Quarterly Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of T. Rowe Price Group, Inc.

July 23, 2010

/s/ James A.C. Kennedy  
Chief Executive Officer and President

/s/ Kenneth V. Moreland  
Vice President and Chief Financial Officer

A signed original of this written statement has been provided to T. Rowe Price Group, Inc. and will be retained by T. Rowe Price Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

## T. ROWE PRICE GROUP REPORTS SECOND QUARTER 2010 RESULTS

BALTIMORE (July 23, 2010) – T. Rowe Price Group, Inc. (NASDAQ-GS: TROW) today reported its second quarter 2010 results, including net revenues of \$577.4 million, net income of \$158.5 million, and diluted earnings per common share of \$.59, an increase of 55% from the \$.38 per share in the comparable 2009 quarter. Net revenues were \$442.2 million in the second quarter of 2009, and net income was \$100.0 million.

Assets under management were \$391.1 billion at June 30, including \$233.5 billion in the T. Rowe Price mutual funds distributed in the United States and \$157.6 billion in other managed investment portfolios. Market depreciation, net of income, of \$33.0 billion more than offset the \$5.1 billion in net inflows during the second quarter of 2010, as assets under management decreased \$27.9 billion from \$419.0 billion at March 31, 2010.

Results for the first half of 2010 include net revenues of \$1,133.6 million, net income of \$311.5 million, and diluted earnings per share of common stock of \$1.17, more than double the \$.57 per share in the first half of 2009. Net cash inflows from investors of \$15.4 billion were offset by \$15.6 billion in market depreciation, net of income, during the year-to-date period and reduced June 30 assets under management to year-end 2009 levels.

### Financial Highlights

Total investment advisory revenues were \$492.0 million in the second quarter of 2010, an increase of 37%, or \$131.7 million, from the comparable 2009 quarter. Relative to the 2009 quarter, investment advisory revenues earned from the T. Rowe Price mutual funds distributed in the U.S. increased 38%, or \$94.0 million, to \$342.8 million. Average mutual fund assets under management in the second quarter of 2010 were \$247.4 billion, an increase of 38% from the average for the comparable 2009 quarter. Mutual fund assets at June 30, 2010 were \$233.5 billion, a decrease of 6% or \$16.0 billion from the end of March 2010, and \$13.9 billion lower than the second quarter 2010 average.

Net inflows to the mutual funds were \$3.2 billion during the second quarter of 2010. The stock funds had net inflows of \$1.8 billion, including \$600 million into the Value Fund and \$400 million into each of the International Growth and Income and Growth Stock funds. Bond and money market funds had net inflows of \$1.4 billion. The Short-Term Bond and Emerging Markets Bond funds each received \$300 million of net flows. Market depreciation, net of income, reduced our mutual fund assets under management by \$19.2 billion during the second quarter of 2010.

Investment advisory revenues earned on the other investment portfolios that we manage increased \$37.7 million, or 34%, from the second quarter of 2009, to \$149.2 million. Average assets in these portfolios were \$166.1 billion during the second quarter of 2010, an increase of \$44.3 billion, or 36%, from the 2009 quarter. Ending assets at June 30, 2010 were \$157.6 billion, down \$11.9 billion from the end of March 2010, and \$8.5 billion lower than the second quarter 2010 average. Net inflows into these portfolios, primarily from third-party financial intermediaries and institutional investors outside the United States, were \$1.9 billion in the 2010 quarter. Market depreciation, net of income, lowered assets under management in these portfolios by \$13.8 billion. Investors domiciled outside the United States account for 12% of the firm's assets under management at June 30, 2010.

The target-date retirement investment portfolios continue to be a good source of assets under management. During the second quarter of 2010, net inflows of \$1.6 billion originated in these portfolios. Assets in the target-date retirement portfolios were \$45.9 billion at June 30, 2010, accounting for nearly 12% of the firm's assets under management and 19% of its mutual fund assets.

Operating expenses were \$324.3 million in the second quarter of 2010, up \$36.0 million from the 2009 quarter. Compensation and related costs increased \$15.4 million, or 8%, from the comparable 2009 quarter, as a result of a higher interim accrual for the 2010 annual variable compensation programs. At June 30, 2010, the firm employed 4,862 associates, virtually unchanged from a year ago and slightly up from the 4,802 associates employed at the end of 2009.

Advertising and promotion expenditures were up \$6.4 million, or 47%, compared to the second quarter of 2009 as improved investor sentiment over the last twelve months prompted the firm to increase its spending. The firm currently expects that its advertising and promotion expenditures for the third quarter of 2010 will be in line with the second quarter 2010 and spending for the full year 2010 could increase up to 30% from 2009. The firm varies its level of spending based on market conditions and investor demand as well as its efforts to expand its investor base.

Other operating expenses increased \$13.9 million, or 41%, from the second quarter of 2009, including an increase of \$3.2 million in distribution and service expenses recognized on higher average assets under management in Advisor and R classes of mutual fund shares that are sourced from financial intermediaries. These distribution and service expenses are offset by an equal increase in administrative revenues recognized from 12b-1 fees. Additionally, travel costs, consulting fees and other professional services have risen to meet increased business demands.

The second quarter 2010 provision for income taxes as a percentage of pretax income is 38.3%, up from the previous estimate for the full year 2010 of 37.8%. The firm currently estimates that the effective tax rate for the full year 2010 will be 38.0%.

## Management Commentary

James A.C. Kennedy, the company's chief executive officer and president, commented: "We are pleased with the firm's investment advisory results relative to our peers, with 86% of the T. Rowe Price funds across their share classes outperforming their comparable Lipper averages on a total return basis for the 5-year period ended June 30, 2010, 82% outperforming for the three-year period, 76% outperforming for the 10-year period, and 61% outperforming for the one-year period. In addition, T. Rowe Price stock, bond and blended asset funds that ended the quarter with an overall rating of four or five stars from Morningstar account for 69% of our rated funds' assets under management.

"Our second quarter financial results were achieved during a difficult period in which the European sovereign debt crisis sparked a sharp correction in global equity markets and volatility returned to levels not seen in more than a year. In spite of this very challenging environment, we remain encouraged by the confidence clients continue to place in us, as evidenced by continued investor interest and demand across our diversified investment strategies.

"Our strong capital position gives us substantial financial flexibility to weather the inevitable ups and downs in the market and enables us to continue to invest in our business for the future. We remain debt-free with ample liquidity, including cash and mutual fund investment holdings of \$1.4 billion. Through June 30, we have expended \$175 million to repurchase 3.6 million shares of our common stock. Based on current strategic projects and plans, the company's capital expenditures for all of 2010 are estimated to be about \$150 million, including \$68 million invested in facilities and technology equipment in the first half of the year. These cash expenditures are funded from our available liquid resources.

## Market Commentary

"Global economies appear to be improving, albeit at a slow and uneven pace. Although the market environment remains unsettled and heightened volatility has added to investor uncertainty, we remain positive on the attractiveness of the market, especially over the longer term. Consumer and corporate confidence in the developed world remain generally subdued. Nonetheless stock valuations are reasonable, especially in relation to today's low interest rates; corporate earnings are on the upswing; and company balance sheets are strong."

## Closing Comment

In closing, Mr. Kennedy said, "Despite jittery markets that reduced our assets under management back to year-end 2009 levels, the long-term outlook for T. Rowe Price remains strong. Net inflows across our distribution channels continue to be positive, our balance sheet is very healthy, and we continue to prudently manage the business while investing strategically in key capabilities and attractive growth opportunities. As global economies continue to regain their footing, our experienced investment team and dedicated associates remain focused on adding value for our clients and our stockholders."

## Other Matters

The financial results presented in this release are unaudited. The firm expects that it will file its Form 10-Q Quarterly Report for the second quarter of 2010 with the U.S. Securities and Exchange Commission later today. The Form 10-Q will include additional information on the firm's unaudited financial results at June 30, 2010.

Certain statements in this press release may represent "forward-looking information," including information relating to anticipated changes in revenues, net income and earnings per common share, anticipated changes in the amount and composition of assets under management, anticipated expense levels and expense savings, estimated tax rates, and expectations regarding financial results, future transactions, investments, capital expenditures, and other market conditions. For a discussion concerning risks and other factors that could affect future results, see the firm's 2009 Form 10-K report.

Founded in 1937, Baltimore-based T. Rowe Price is a global investment management organization that provides a broad array of mutual funds, sub-advisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The organization also offers a variety of sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. More information is available at [www.troweprice.com](http://www.troweprice.com).

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(in millions, except per-share amounts)

	Three months ended		Six months ended	
	6/30/2009	6/30/2010	6/30/2009	6/30/2010
<b>Revenues</b>				
Investment advisory fees	\$ 360.3	\$ 492.0	\$ 667.1	\$ 963.8
Administrative fees	81.3	84.7	158.7	168.3
Investment income of savings bank subsidiary	1.9	1.6	3.4	3.3
<b>Total revenues</b>	<b>443.5</b>	<b>578.3</b>	<b>829.2</b>	<b>1,135.4</b>
Interest expense on savings bank deposits	1.3	0.9	2.5	1.8
<b>Net revenues</b>	<b>442.2</b>	<b>577.4</b>	<b>826.7</b>	<b>1,133.6</b>
<b>Operating expenses</b>				
Compensation and related costs	199.7	215.1	375.1	422.8
Advertising and promotion	13.7	20.1	36.4	43.6
Depreciation and amortization of property and equipment	16.6	15.5	33.3	30.9
Occupancy and facility costs	24.4	25.8	49.8	51.5
Other operating expenses	33.9	47.8	67.6	93.0
<b>Total operating expenses</b>	<b>288.3</b>	<b>324.3</b>	<b>562.2</b>	<b>641.8</b>
<b>Net operating income</b>	<b>153.9</b>	<b>253.1</b>	<b>264.5</b>	<b>491.8</b>
Net non-operating investment income (loss)	7.9	3.9	(28.1)	9.2
<b>Income before income taxes</b>	<b>161.8</b>	<b>257.0</b>	<b>236.4</b>	<b>501.0</b>
Provision for income taxes	61.8	98.5	88.2	189.5
<b>Net income</b>	<b>100.0</b>	<b>158.5</b>	<b>148.2</b>	<b>311.5</b>
<b>Earnings per share on common stock</b>				
Basic	\$ .39	\$ .61	\$ .58	\$ 1.20
Diluted	\$ .38	\$ .59	\$ .57	\$ 1.17
<b>Dividends declared per share</b>	<b>\$ .25</b>	<b>\$ .27</b>	<b>\$ .50</b>	<b>\$ .54</b>
<b>Weighted average shares on common stock</b>				
Outstanding	255.2	258.2	255.3	258.2
Outstanding assuming dilution	261.7	265.7	260.2	266.0

	Three months ended		Six months ended	
	6/30/2009	6/30/2010	6/30/2009	6/30/2010
<b>Investment Advisory Revenues (in millions)</b>				
Sponsored mutual funds in the U.S.				
Stock and blended asset	\$ 195.3	\$ 275.1	\$ 357.3	\$ 537.9
Bond and money market	53.5	67.7	103.2	130.3
Total	248.8	342.8	460.5	668.2
Other portfolios	111.5	149.2	206.6	295.6
Total	<u>\$ 360.3</u>	<u>\$ 492.0</u>	<u>\$ 667.1</u>	<u>\$ 963.8</u>

#### Average Assets Under Management (in billions)

Sponsored mutual funds in the U.S.				
Stock and blended asset	\$ 130.0	\$ 182.6	\$ 120.0	\$ 179.1
Bond and money market	49.6	64.8	48.5	63.3
Total	179.6	247.4	168.5	242.4
Other portfolios	121.8	166.1	114.7	162.8
Total	<u>\$ 301.4</u>	<u>\$ 413.5</u>	<u>\$ 283.2</u>	<u>\$ 405.2</u>

#### Assets Under Management (in billions)

		12/31/2009	6/30/2010
Sponsored mutual funds in the U.S.			
Stock and blended asset		\$ 172.7	\$ 168.0
Bond and money market		60.0	65.5
Total		232.7	233.5
Other portfolios		158.6	157.6
Total		<u>\$ 391.3</u>	<u>\$ 391.1</u>
Stock and blended asset portfolios		\$ 290.4	\$ 280.6
Fixed income portfolios		100.9	110.5
Total		<u>\$ 391.3</u>	<u>\$ 391.1</u>

#### Condensed Consolidated Cash Flows Information (in millions)

	Six months ended	
	6/30/2009	6/30/2010
Cash provided by operating activities, including \$43.1 of stock-based compensation	\$ 269.8	\$ 452.2
Cash used in investing activities, including (\$68.0) for additions to property and equipment and (\$143.6) for investment in UTI Asset Management Company Limited in 2010	(64.5)	(223.0)
Cash used in financing activities, including common stock repurchases of (\$154.5) and dividends paid of (\$139.8) in 2010	(157.0)	(237.4)
Net change in cash during the period	<u>\$ 48.3</u>	<u>\$ (8.2)</u>

#### Condensed Consolidated Balance Sheet Information (in millions)

	12/31/2009	6/30/2010
Cash and cash equivalents	\$ 743.3	\$ 735.1
Investments in sponsored mutual funds	677.5	648.8
Other investments	45.7	200.2
Property and equipment	512.8	543.9
Goodwill	665.7	665.7
Accounts receivable and other assets	565.3	609.3
Total assets	3,210.3	3,403.0
Total liabilities	328.1	443.7
Stockholders' equity, 257.2 common shares outstanding in 2010, including net unrealized holding gains of \$80.5 in 2010	<u>\$ 2,882.2</u>	<u>\$ 2,959.3</u>