
**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, 2012

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 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 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

Non-accelerated filer

Smaller reporting company

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

The number of shares outstanding of the issuer's common stock (\$.20 par value), as of the latest practicable date, July 23, 2012, is 253,832,802.

The exhibit index is at Item 6 on page 22.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	<u>12/31/2011</u>	<u>6/30/2012</u>
ASSETS		
Cash and cash equivalents	\$ 897.9	\$ 972.3
Accounts receivable and accrued revenue	304.5	324.2
Investments in sponsored mutual funds	764.5	961.2
Debt securities held by savings bank subsidiary	198.4	173.6
Other investments	206.3	298.7
Property and equipment	567.4	564.4
Goodwill	665.7	665.7
Other assets	165.6	156.8
Total assets	<u>\$3,770.3</u>	<u>\$4,116.9</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued expenses	\$ 82.9	\$ 86.2
Accrued compensation and related costs	63.2	191.7
Income taxes payable	30.0	15.7
Customer deposits at savings bank subsidiary	173.5	165.5
Total liabilities	<u>349.6</u>	<u>459.1</u>
Commitments and contingent liabilities		
Stockholders' equity		
Preferred stock, undesignated, \$.20 par value – authorized and unissued 20,000,000 shares	—	—
Common stock, \$.20 par value – authorized 750,000,000; issued 253,272,000 shares in 2011 and 253,718,000 in 2012	50.7	50.8
Additional capital in excess of par value	502.0	501.8
Retained earnings	2,765.2	2,983.0
Accumulated other comprehensive income	102.8	122.2
Total stockholders' equity	<u>3,420.7</u>	<u>3,657.8</u>
Total liabilities and stockholders' equity	<u>\$3,770.3</u>	<u>\$4,116.9</u>

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	
	6/30/2011	6/30/2012	6/30/2011	6/30/2012
Revenues				
Investment advisory fees	\$ 611.7	\$ 630.0	\$1,200.5	\$1,253.0
Administrative fees	80.2	82.7	160.6	165.6
Distribution and servicing fees	21.2	23.7	33.9	45.9
Net revenue of savings bank subsidiary	0.6	0.4	1.1	1.0
Net revenues	<u>713.7</u>	<u>736.8</u>	<u>1,396.1</u>	<u>1,465.5</u>
Operating expenses				
Compensation and related costs	248.8	261.5	491.7	522.2
Advertising and promotion	20.6	19.8	46.0	45.6
Distribution and servicing costs	21.2	23.7	33.9	45.9
Depreciation and amortization of property and equipment	17.9	19.9	34.5	39.0
Occupancy and facility costs	28.9	31.4	56.6	61.5
Other operating expenses	49.7	52.5	95.3	107.1
Total operating expenses	<u>387.1</u>	<u>408.8</u>	<u>758.0</u>	<u>821.3</u>
Net operating income	326.6	328.0	638.1	644.2
Non-operating investment income	5.6	7.4	9.5	12.5
Income before income taxes	332.2	335.4	647.6	656.7
Provision for income taxes	127.5	128.6	248.3	252.4
Net income	<u>\$ 204.7</u>	<u>\$ 206.8</u>	<u>\$ 399.3</u>	<u>\$ 404.3</u>
Earnings per share on common stock				
Basic	\$.79	\$.81	\$ 1.54	\$ 1.59
Diluted	\$.76	\$.79	\$ 1.49	\$ 1.54
Dividends declared per share	<u>\$.31</u>	<u>\$.34</u>	<u>\$.62</u>	<u>\$.68</u>

The accompanying notes are an integral part of these statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Three months ended		Six months ended	
	6/30/2011	6/30/2012	6/30/2011	6/30/2012
Net income	\$ 204.7	\$ 206.8	\$ 399.3	\$ 404.3
Other comprehensive income (loss)				
Net unrealized holding gains (losses) on				
Investments in sponsored mutual funds:				
Net unrealized holding gains (losses)	2.4	(31.5)	28.5	40.8
Reclassification adjustment on net losses (gains) realized on dispositions in non-operating investment income	—	(2.5)	—	(2.5)
Investments in sponsored mutual funds	2.4	(34.0)	28.5	38.3
Debt securities held by savings bank subsidiary	0.6	—	0.1	0.4
Proportionate share of net unrealized holding gains (losses) on securities held by UTI Asset Management Company Limited	—	0.1	—	0.1
Total net unrealized holding gains (losses) recognized in other comprehensive income	3.0	(33.9)	28.6	38.8
Currency translation adjustment	1.0	6.0	0.4	(5.3)
Total other comprehensive income (loss) before income taxes	4.0	(27.9)	29.0	33.5
Deferred tax benefits (income taxes)	(1.5)	11.0	(11.2)	(14.1)
Total other comprehensive income (loss)	2.5	(16.9)	17.8	19.4
Total comprehensive income	<u>\$ 207.2</u>	<u>\$ 189.9</u>	<u>\$ 417.1</u>	<u>\$ 423.7</u>

The accompanying notes are an integral part of these statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Six months ended	
	6/30/2011	6/30/2012
Cash flows from operating activities		
Net income	\$ 399.3	\$ 404.3
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization of property and equipment	34.5	39.0
Stock-based compensation expense	46.4	50.0
Intangible asset amortization	.2	.2
Changes in securities held by consolidated sponsored mutual funds	—	(87.9)
Other changes in assets and liabilities	130.1	88.9
Net cash provided by operating activities	<u>610.5</u>	<u>494.5</u>
Cash flows from investing activities		
Investments in sponsored mutual funds	(23.8)	(161.8)
Dispositions of sponsored mutual funds	—	5.9
Investments in debt securities held by savings bank subsidiary	(35.0)	(24.9)
Proceeds from debt securities held by savings bank subsidiary	28.8	50.4
Additions to property and equipment	(33.0)	(36.6)
Other investing activity	(3.4)	(7.7)
Net cash used in investing activities	<u>(66.4)</u>	<u>(174.7)</u>
Cash flows from financing activities		
Repurchases of common stock	(235.3)	(129.2)
Common share issuances under stock-based compensation plans	36.8	39.1
Excess tax benefits from stock-based compensation plans	18.2	25.8
Dividends	(160.7)	(173.1)
Change in savings bank subsidiary deposits	6.5	(8.0)
Net cash used in financing activities	<u>(334.5)</u>	<u>(245.4)</u>
Cash and cash equivalents		
Net change during period	209.6	74.4
At beginning of year	813.1	897.9
At end of period	<u>\$1,022.7</u>	<u>\$ 972.3</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, 2011	253,272	\$ 50.7	\$ 502.0	\$2,765.2	\$ 102.8	\$ 3,420.7
Net income				404.3		404.3
Other comprehensive income, net of tax					19.4	19.4
Dividends				(173.1)		(173.1)
Common stock-based compensation plans activity						
Shares issued upon option exercises	2,271	0.4	39.0			39.4
Restricted shares issued, net of shares withheld for taxes	388	.1	(.2)			(.1)
Shares issued upon vesting of restricted stock units	4	.0	(.1)			(.1)
Forfeiture of restricted awards	(15)	.0	.0			—
Net tax benefits				26.5		26.5
Stock-based compensation expense				50.0		50.0
Common shares repurchased	(2,202)	(0.4)	(115.4)	(13.4)		(129.2)
Balances at June 30, 2012	<u>253,718</u>	<u>\$ 50.8</u>	<u>\$ 501.8</u>	<u>\$2,983.0</u>	<u>\$ 122.2</u>	<u>\$ 3,657.8</u>

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, including separately managed accounts, sub-advised funds, and other sponsored investment products. 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; 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 2011 Annual Report. Prior-year amounts related to distribution and servicing fees, net revenue of savings bank subsidiary, and distribution and servicing costs have been reclassified to conform to current year presentation. The change in presentation is more fully discussed in our 2011 Annual Report.

On January 1, 2012, we adopted new financial reporting guidance related to the presentation of comprehensive income in our consolidated financial statements. The new guidance requires net income and other comprehensive income to be presented either in a single-continuous statement or in two separate, but consecutive, statements of income and comprehensive income. We elected to present comprehensive income in a separate statement following our unaudited condensed consolidated statements of income. Additional disclosures required by this new guidance are included in Note 9. We also adopted new financial reporting guidance that clarified how to measure financial instruments at fair value and expanded the required fair value measurement disclosures. The adoption of the new measurement guidance did not have an impact on our consolidated financial statements. However, we now disclose in Note 6 the level of the fair value hierarchy in which the inputs used in determining the disclosed fair value of customer deposits at our savings bank subsidiary can be categorized.

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

Accounts receivable from our sponsored mutual funds for advisory fees and advisory-related administrative services aggregate \$155.9 million at December 31, 2011, and \$163.8 million at June 30, 2012.

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

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>
Sponsored mutual funds in the U.S.				
Stock and blended asset	\$ 341.2	\$ 347.4	\$ 668.2	\$ 691.5
Bond and money market	76.9	86.9	150.4	168.7
	<u>418.1</u>	<u>434.3</u>	<u>818.6</u>	<u>860.2</u>
Other portfolios				
Stock and blended asset	160.8	154.5	315.6	311.9
Bond, money market, and stable value	32.8	41.2	66.3	80.9
	<u>193.6</u>	<u>195.7</u>	<u>381.9</u>	<u>392.8</u>
Total	<u>\$ 611.7</u>	<u>\$ 630.0</u>	<u>\$1,200.5</u>	<u>\$1,253.0</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	
	2011	2012	2011	2012
Sponsored mutual funds in the U.S.				
Stock and blended asset	\$228.0	\$234.7	\$ 224.4	\$ 233.4
Bond and money market	74.6	83.6	72.9	82.0
	302.6	318.3	297.3	315.4
Other portfolios				
Stock and blended asset	157.8	155.5	156.2	155.7
Bond, money market, and stable value	54.5	64.5	53.2	63.2
	212.3	220.0	209.4	218.9
Total	\$514.9	\$538.3	\$ 506.7	\$ 534.3

	As of	
	12/31/2011	6/30/2012
Sponsored mutual funds in the U.S.		
Stock and blended asset	\$ 211.7	\$ 237.8
Bond and money market	77.7	83.9
	289.4	321.7
Other portfolios		
Stock and blended asset	140.7	155.2
Bond, money market, and stable value	59.4	64.8
	200.1	220.0
Total	\$ 489.5	\$ 541.7

Investors that we serve are primarily domiciled in the United States of America; investment advisory clients outside the United States account for 10% of our assets under management at June 30, 2012.

Fees for advisory-related administrative services provided to our sponsored mutual funds during the first half of the year were \$124.3 million in 2011 and \$128.8 million in 2012. Fees for these services during the second quarter were \$62.0 million in 2011 and \$64.1 million in 2012. Distribution and other servicing fees earned from certain classes of our sponsored mutual funds during the first half of the year were \$33.9 million in 2011 and \$45.9 million in 2012. Such fees during the second quarter were \$21.2 million in 2011 and \$23.7 million in 2012.

NOTE 3 – INVESTMENTS IN SPONSORED MUTUAL FUNDS.

These investments (in millions) include:

	Aggregate cost	Unrealized holding gains	Unrealized holding losses	Aggregate fair value
December 31, 2011				
Stock and blended asset funds	\$ 281.7	\$ 137.0	\$ (.8)	\$ 417.9
Bond funds	310.6	38.5	(2.5)	346.6
Total	\$ 592.3	\$ 175.5	\$ (3.3)	\$ 764.5
June 30, 2012				
Stock and blended asset funds	\$ 279.4	\$ 167.1	\$ (.3)	\$ 446.2
Bond funds	471.3	44.5	(.8)	515.0
Total	\$ 750.7	\$ 211.6	\$ (1.1)	\$ 961.2

The unrealized holding losses at June 30, 2012, are attributable to four fund holdings with an aggregate fair value of \$40.3 million and are considered temporary.

NOTE 4 – DEBT SECURITIES HELD BY 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.

	12/31/2011		6/30/2012	
	Fair value	Unrealized holding gains (losses)	Fair value	Unrealized holding gains (losses)
Investments with temporary impairment (25 securities in 2012) of				
Less than 12 months	\$ 22.8	\$ (.2)	\$ 14.8	\$ (.1)
12 months or more	6.3	(.2)	1.8	(.1)
Total	29.1	(.4)	16.6	(.2)
Investments with unrealized holding gains	169.3	3.5	157.0	3.7
Total	<u>\$198.4</u>	<u>\$ 3.1</u>	<u>\$173.6</u>	<u>\$ 3.5</u>
Aggregate cost	<u>\$195.3</u>		<u>\$170.1</u>	

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.

NOTE 5 – OTHER INVESTMENTS.

These investments (in millions) include:

	12/31/2011	6/30/2012
Cost method investments		
10% interest in Daiwa SB Investments Ltd. (Japan)	\$ 13.6	\$ 12.7
Other investments	39.9	44.8
Equity method investments		
26% interest in UTI Asset Management Company Limited (India)	144.8	143.0
Other investments	2.6	5.1
Investments held as trading		
Sponsored mutual fund investments	4.4	4.2
Securities held by consolidated sponsored mutual funds	—	87.9
U.S. Treasury note	1.0	1.0
Total	<u>\$ 206.3</u>	<u>\$ 298.7</u>

The securities held by consolidated sponsored mutual funds relate to newly formed funds in which we provided seed capital in the first half of 2012 and have a controlling financial interest.

NOTE 6 – FAIR VALUE MEASUREMENTS.

We determine the fair value of our investments using the following 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 our investments. There have been 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.

	<u>Level 1</u>	<u>Level 2</u>
<u>December 31, 2011</u>		
Cash equivalents	\$ 823.2	
Investments in sponsored mutual funds	764.5	
Investments held as trading	4.4	
Debt securities held by savings bank subsidiary	—	\$198.4
Total	<u>\$1,592.1</u>	<u>\$198.4</u>
<u>June 30, 2012</u>		
Cash equivalents	\$ 832.7	
Investments in sponsored mutual funds	961.2	
Investments held as trading	19.7	\$ 72.4
Debt securities held by savings bank subsidiary	—	173.6
Total	<u>\$1,813.6</u>	<u>\$246.0</u>

Customer deposits at our savings bank subsidiary are not measured at fair value in our consolidated balance sheet. The estimated fair value of these deposits, 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 \$176.9 million at December 31, 2011, and \$168.4 million at June 30, 2012. The fair value was determined using Level 2 inputs.

NOTE 7 – STOCK-BASED COMPENSATION.

STOCK OPTIONS.

The following table summarizes the status of and changes in our stock option grants during the first half of 2012.

	<u>Options</u>	<u>Weighted- average exercise price</u>
Outstanding at beginning of year	39,239,722	\$ 45.27
Semiannual grants	1,754,350	\$ 61.49
Reload grants	105,537	\$ 62.46
New hire grants	13,554	\$ 57.24
Non-employee director grants	8,000	\$ 63.23
Exercised	(3,327,422)	\$ 31.95
Forfeited	(520,540)	\$ 51.70
Outstanding at end of period	<u>37,273,201</u>	\$ 47.19
Exercisable at end of period	<u>19,781,729</u>	\$ 42.67

STOCK AWARDS.

The following table summarizes the status of and changes in our nonvested restricted shares and restricted stock units during the first half of 2012.

	<u>Restricted shares</u>	<u>Restricted stock units</u>	<u>Weighted- average fair value</u>
Nonvested at beginning of year	637,393	351,017	\$ 51.83
Granted to employees and directors	389,845	200,723	\$ 61.48
Vested	(12,012)	(9,945)	\$ 57.59
Forfeited	(15,253)	(7,900)	\$ 54.52
Nonvested at end of period	<u>999,973</u>	<u>533,895</u>	\$ 55.42

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, 2012. 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 2012	\$ 25.8
Fourth quarter 2012	20.4
2013	62.4
2014 through 2017	60.2
Total	<u>\$ 168.8</u>

NOTE 8 – EARNINGS PER SHARE CALCULATIONS.

The following table presents 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. 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.

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>
Net income	\$ 204.7	\$ 206.8	\$ 399.3	\$ 404.3
Less: net income allocated to outstanding restricted stock and stock unit holders	(.9)	(1.2)	(1.7)	(2.2)
Net income allocated to common stockholders	<u>\$ 203.8</u>	<u>\$ 205.6</u>	<u>\$ 397.6</u>	<u>\$ 402.1</u>
Weighted average common shares				
Outstanding	<u>258.0</u>	<u>253.4</u>	<u>258.3</u>	<u>253.2</u>
Outstanding assuming dilution	<u>266.7</u>	<u>260.6</u>	<u>267.6</u>	<u>260.8</u>

The following table shows the weighted average outstanding stock options (in millions) and their average exercise price that are excluded from the calculation of diluted earnings per common share as the inclusion of such shares would be anti-dilutive.

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>
Weighted average outstanding stock options excluded	<u>3.6</u>	<u>5.4</u>	<u>2.6</u>	<u>5.0</u>
Average exercise price	<u>\$ 67.61</u>	<u>\$ 65.42</u>	<u>\$ 67.92</u>	<u>\$ 65.59</u>

NOTE 9 – OTHER COMPREHENSIVE INCOME AND ACCUMULATED OTHER COMPREHENSIVE INCOME.

The following table presents the deferred tax benefit (income tax) impact of the components (in millions) of other comprehensive income.

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>
Deferred tax benefit (income taxes) on				
Net unrealized holding gains or losses	\$ (1.2)	\$ 12.1	\$ (11.1)	\$ (17.0)
Reclassification adjustment on net gains or losses realized on dispositions in non-operating investment income	—	1.0	—	1.0
Deferred tax benefits (income taxes) on net unrealized holding gains or losses recognized in other comprehensive income	(1.2)	13.1	(11.1)	(16.0)
Deferred tax benefit (expense) on currency translation adjustment	(.3)	(2.1)	(.1)	1.9
Total deferred tax benefits (income taxes)	<u>\$ (1.5)</u>	<u>\$ 11.0</u>	<u>\$ (11.2)</u>	<u>\$ (14.1)</u>

The changes in accumulated other comprehensive income (in millions), by component, for the first half of 2012, are presented below.

	<u>12/31/2011</u>	<u>Other comprehensive income, net of tax</u>	<u>6/30/2012</u>
	Net unrealized holding gains on		
Investments in sponsored mutual funds	\$ 172.2	\$ 38.3	\$ 210.5
Debt securities held by savings bank subsidiary	3.1	.4	3.5
Proportionate share of investments held by UTI	.4	.1	.5
	<u>175.7</u>	<u>38.8</u>	<u>214.5</u>
Deferred income taxes	(67.3)	(16.0)	(83.3)
Net unrealized holding gains, net of taxes	<u>108.4</u>	<u>22.8</u>	<u>131.2</u>
Currency translation adjustment, net of taxes	(5.6)	(3.4)	(9.0)
Accumulated other comprehensive income	<u>\$ 102.8</u>	<u>\$ 19.4</u>	<u>\$ 122.2</u>

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, 2012, the related condensed consolidated statements of income and comprehensive income for the three- and six-month periods ended June 30, 2012 and 2011, the related condensed consolidated statements of cash flows for the six-month periods ended June 30, 2012 and 2011, and the related condensed consolidated statement of stockholders’ equity for the six-month period ended June 30, 2012. 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, 2011, 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 3, 2012, 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, 2011, 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 25, 2012

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. The other managed investment portfolios include separately managed accounts, subadvised 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. Investment advisory clients domiciled outside the United States account for 10% of our assets under management at June 30, 2012.

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 allow 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.

BACKGROUND.

After a very strong first quarter of 2012, equity markets around the globe gave back a portion of their double-digit advances in a volatile second quarter. Major equity indexes experienced the majority of their quarterly losses in May due to the growing uncertainty about the fate of the eurozone, apparently slowing global growth, and continued weakness in U.S. labor markets. Stocks recouped a portion of their earlier losses by the end of June in response to the policy announcements made following the eurozone summit that were intended to accelerate eurozone integration and reduce pressure on those countries impacted by unsustainably high interest rates on their debt. With economic signals mixed and inflation largely subdued, the Federal Reserve kept the federal funds rate near 0%, announced that it would extend its program of trading short-term issues for longer-term issues until the end of 2012, and made it clear that it was prepared to take further action if the U.S. economy faltered in the coming months.

Results of several major equity market indexes for the three- and six-month periods ended June 30, 2012 are as follows:

<u>Index</u>	<u>Three months ended</u> <u>6/30/2012</u>	<u>Six months ended</u> <u>6/30/2012</u>
S&P 500 Index	-2.8%	9.5%
NASDAQ Composite Index ⁽¹⁾	-5.1%	12.7%
Russell 2000 Index	-3.5%	8.5%
MSCI EAFE (Europe, Australasia, and Far East) Index	-6.9%	3.4%
MSCI Emerging Markets Index	-8.8%	4.1%

⁽¹⁾ returns exclude dividends

Treasury yields declined for much of the quarter as nervous investors favored less risky investments. The yield on the benchmark 10-year U.S. Treasury at June 30, 2012, was 1.7%, a decrease of 56 basis points from March 31, 2012 and 22 basis points from the end of 2011. Despite the economic uncertainties around the world, corporate bonds, high yield and municipal bonds also produced solid returns in the quarter. Returns in bond markets outside the U.S. were mixed, as U.S. dollar-denominated emerging market bonds produced strong gains, while issues from developed markets produced modestly negative returns in U.S. dollar terms.

Returns for several major bond market indexes for the three- and six-month periods ended June 30, 2012 are as follows:

<u>Index</u>	<u>Three months ended</u> <u>6/30/2012</u>	<u>Six months ended</u> <u>6/30/2012</u>
Barclays U.S. Aggregate Index	2.1%	2.4%
Credit Suisse High Yield Index	1.6%	6.7%
Barclays Municipal Bond Index	1.9%	3.7%
Barclays Global Aggregate Ex-U.S. Dollar Bond Index	-.4%	.8%
JPMorgan Emerging Markets Bond Plus	2.8%	6.9%

ASSETS UNDER MANAGEMENT.

Our assets under management (in billions) have changed during 2012 as follows:

	Quarter ended 3/31/2012	Quarter ended 6/30/2012	First half ended 6/30/2012
Assets under management at beginning of period	\$ 489.5	\$ 554.8	\$ 489.5
Net cash inflows			
Sponsored mutual funds in the U.S.	5.3	6.3	11.6
Other portfolios	7.1	(1.6)	5.5
	12.4	4.7	17.1
Market valuation changes and income	52.9	(17.8)	35.1
Change during the period	65.3	(13.1)	52.2
Assets under management at end of period	\$ 554.8	\$ 541.7	\$ 541.7

Assets under management at June 30, 2012, include \$393.0 billion in stock and blended asset investment portfolios and \$148.7 billion in fixed income investment portfolios. The investment portfolios that we manage consist of \$321.7 billion in the T. Rowe Price mutual funds distributed in the U.S. and \$220.0 billion in other investment portfolios.

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 of 2012 versus second quarter of 2011.

Investment advisory revenues were up 3.0%, or \$18.3 million, to \$630.0 million in the second quarter of 2012, as average assets under our management increased \$23.4 billion to \$538.3 billion. The average annualized fee rate earned on our assets under management was 47.1 basis points during the second quarter of 2012, which is virtually unchanged from the annualized fee rate earned for the full-year 2011 and the first quarter of 2012. We waived \$7.8 million in money market advisory fees in the second quarter of 2012, a decrease of \$.5 million from the comparable 2011 quarter, in order to maintain a positive yield for fund investors. The fee waivers in the second quarter of 2012 represent about 1% of our total investment advisory revenues earned during the second quarter of 2012, and were waived from all eight of our money market mutual funds that have combined net assets of \$14.2 billion at June 30, 2012. We expect that these fee waivers will continue throughout 2012.

Net revenues increased \$23.1 million, or 3.2%, to \$736.8 million in the second quarter of 2012. Operating expenses were \$408.8 million in the second quarter of 2012, an increase of \$21.7 million, or 5.6%. Overall, net operating income for the second quarter of 2012 increased \$1.4 million to \$328.0 million. Our operating margin in the second quarter of 2012 is 44.5% compared to 45.8% in the 2011 period as we continue to invest in and expand our firm's capabilities with a long-term perspective. Net income increased \$2.1 million to \$206.8 million compared with the second quarter of 2011. Our diluted earnings per share on our common stock increased 3.9% to \$.79 from the \$.76 earned in the second quarter of 2011.

Revenues

Investment advisory revenues earned from the T. Rowe Price mutual funds distributed in the United States were \$434.3 million, an increase of \$16.2 million, or 3.9%, on higher average assets under management. Average mutual fund assets under management in the second quarter of 2012 were \$318.3 billion, an increase of 5.2% from the average in the second quarter of 2011. Mutual fund assets at June 30, 2012 were \$321.7 billion, a decrease of \$3.7 billion from March 31, 2012. Net cash inflows into the mutual funds during the second quarter of 2012 were \$6.3 billion, including \$5.3 billion into the stock and blended asset funds and \$1.2 billion into the bond funds. The money market funds had net outflows of \$.2 billion. These net cash flows include \$2.2 billion originating in the target-date retirement funds, which in turn invest in a broadly diversified portfolio of other Price funds, and automatically rebalance to maintain their specific asset allocation weightings. Lower market valuations, net of income, decreased mutual fund assets under management by \$10.0 billion during the second quarter of 2012.

Investment advisory revenues earned in the second quarter of 2012 on the other investment portfolios increased \$2.1 million compared to the 2011 quarter to \$195.7 million, as average assets under management increased \$7.7 billion, or 3.6%, to \$220.0 billion. Assets under management in these portfolios at June 30, 2012 were \$220.0 billion, a decrease of \$9.4 billion from March 31, 2012. Decreases in market valuations lowered assets in these portfolios by \$7.8 billion during the second quarter of 2012. Net cash outflows of \$1.6 billion in the quarter were primarily from institutional investors outside the United States. While net cash flows from our institutional channel over the long-term have been strong, they are typically more variable over shorter periods, meaning some individual quarters can be much stronger or weaker than others.

Administrative fee revenues increased \$2.5 million to \$82.7 million in the second quarter of 2012. The increase is primarily attributable to our mutual fund servicing activities and defined contribution recordkeeping services for the mutual funds and their investors. Changes in administrative fee revenues are generally offset by similar changes in related operating expenses that are incurred to provide services to the funds and their investors.

Distribution and servicing fee revenues earned from 12b-1 plans of the Advisor, R, and variable annuity class shares of our sponsored portfolios increased \$2.5 million from the second quarter of 2011 on greater average assets under management in these share classes. The 12b-1 fees earned are offset entirely by the costs paid to third-party intermediaries who source these assets. These costs are reported as distribution and servicing costs on the face of the condensed consolidated income statements,

Operating expenses

Compensation and related costs were \$261.5 million in the second quarter of 2012, an increase of \$12.7 million, or 5.1%, compared to the second quarter of 2011. The largest part of the increase is attributable to a \$7.3 million increase in salaries and related benefits, which results from a modest increase in salaries at the beginning of 2012 combined with a nearly 2.3% increase in our average staff size from the second quarter of 2011. The remainder of the change from the second quarter of 2011 is attributable to a modest increase in the interim accrual for our annual variable compensation programs, increased use of temporary personnel, higher non-cash stock-based compensation expense and other employee-related costs. At June 30, 2012, we employed 5,265 associates.

Advertising and promotion expenditures were \$19.8 million in the second quarter of 2012 compared to \$20.6 million in the 2011 quarter. We currently expect that our advertising and promotion expenditures for the second half of 2012 will be similar to 2011 levels. 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.

Occupancy and facility costs together with depreciation and amortization expense were \$51.3 million in the second quarter of 2012, up \$4.5 million compared to the second quarter of 2011. The change includes the added costs incurred to expand our facilities around the world as well as update our technology capabilities, including related maintenance programs, to meet increasing business demands.

Other operating expenses were \$52.5 million in the second quarter of 2012, an increase of \$2.8 million from the comparable 2011 period. The increase is primarily attributable to the reclassification of \$5.0 million in certain third-party servicing costs that were previously reported as reductions of advisory and administrative fee revenues in the second quarter of 2011.

Non-operating investment income

Our non-operating investment income, which includes the recognition of investment gains and losses, was up \$1.8 million from the second quarter of 2011, including \$2.5 million in gains realized from the sale of two sponsored mutual fund investments. These realized gains were partially offset by larger foreign exchange transaction losses recognized in the second quarter of 2012 as the U.S. dollar strengthened against certain currencies in which a portion of our assets are denominated.

Provision for income taxes

The provision for income taxes as a percentage of pretax income for the second quarter of 2012 is 38.3% compared with 38.4% for the 2011 quarter. We currently estimate our effective tax rate for the full year 2012 will be about 38.4%. Our effective income tax rate reflects the relative contribution of pre-tax income generated by our subsidiaries located outside the United States that is subject to tax rates lower than our U.S. rates. Changes in the level of the relative contribution of pre-tax income or changes in tax rates in the jurisdictions our non-U.S. subsidiaries are located in may affect our effective income tax rate and overall net income in the future.

First half of 2012 versus first half of 2011.

Investment advisory revenues were up 4.4%, or \$52.5 million, to nearly \$1.3 billion in the first half of 2012, as average assets under our management increased \$27.6 billion to \$534.3 billion. The average annualized fee rate earned on our assets under management was 47.2 basis points in the first half of 2012, down slightly from the 47.3 basis points earned in the full-year 2011. We waived \$16.6 million in money market advisory fees in the first six months of 2012, an increase of \$1.3 million from the \$15.3 million waived in the first half of 2011.

Net revenues increased \$69.4 million, or 5.0%, to nearly \$1.5 billion. Operating expenses were \$821.3 million in the first six months of 2012, an increase of \$63.3 million, or 8.4%. Overall, net operating income for the first half of 2012 increased \$6.1 million to \$644.2 million. Our operating margin in the first six months of 2012 is 44.0% compared to 45.7% in the 2011 period as we continue to invest in and expand our firm's capabilities with a long-term perspective. Net income increased \$5.0 million to \$404.3 million for the first half of 2012. Our diluted earnings per share on our common stock increased 3.4% to \$1.54 from \$1.49 earned in the 2011 period.

Revenues

Investment advisory revenues earned from the T. Rowe Price mutual funds distributed in the United States increased 5.1%, or \$41.6 million, to \$860.2 million, on higher average mutual fund assets. Average mutual fund assets in the first half of 2012 were \$315.4 billion, an increase of 6.1% from the average for the comparable 2011 period. Mutual fund assets of \$321.7 billion at June 30, 2012, increased \$32.3 billion from \$289.4 billion at the end of 2011. Net cash inflows were \$11.6 billion during the first half of 2012, including \$7.8 billion into the stock and blended asset funds and \$4.7 billion into the bond funds. Our money market funds had net outflows of \$9 billion. These net cash flows include \$3.5 billion originating in the target-date retirement funds. The mutual fund net inflow amounts are presented net of \$3.7 billion that was transferred to the other investment portfolios. These transfers were primarily from our target-date retirement funds to our target-date retirement trusts. Higher market valuations and income in the first six months of 2012 increased our mutual fund assets under management by \$20.7 billion.

Investment advisory revenues earned on the other investment portfolios were \$392.8 million for the first half of 2012 compared to \$381.9 million earned in the comparable 2011 period. Average assets in these portfolios were \$218.9 billion during the first six months of 2012, up \$9.5 million from the comparable 2011 period. Net inflows of \$5.5 billion and market appreciation and income of \$14.4 billion increased assets under management in these portfolios by \$19.9 billion during the first half of 2012 to \$220.0 billion at June 30, 2012. Net inflows during the first six months of 2012 include the \$3.7 billion transferred from the mutual funds. Strong net inflows into our sub-advised funds from third-party financial intermediaries were partially offset by net outflows from institutional investors.

Administrative fee revenues increased \$5.0 million to \$165.6 million in the first half of 2012. The increase is attributable to our mutual fund servicing activities and defined contribution recordkeeping services for the mutual funds and their investors. As noted above, changes in administrative fee revenues are generally offset by similar changes in related operating expenses that are incurred to provide services to the funds and their investors.

Distribution and servicing fee revenues earned from 12b-1 plans of the Advisor, R, and variable annuity class shares of our sponsored portfolios were \$45.9 million in the first half of 2012, an increase of \$12.0 million from the comparable 2011 period. The increase includes \$3.1 million recognized on greater average assets under management in these share classes, and \$8.9 million earned primarily on R class shares in the first quarter of 2012 for which the comparable fees for the first quarter of 2011 were netted against related distribution and servicing costs. The 12b-1 fees earned are offset entirely by the costs paid to third-party intermediaries who source these assets. These costs are reported as distribution and servicing costs on the face of the condensed consolidated income statements.

Operating expenses

Compensation and related costs were \$522.2 million in the first six months of 2012, an increase of \$30.5 million, or 6.2%, compared to the 2011 period. The largest part of the increase is attributable to an \$18.3 million increase in salaries and related benefits and a \$6.8 million increase in our interim accrual for our annual variable compensation programs. Our average staff size has increased 2.5% from the first half of 2011. Higher non-cash stock based compensation expense, temporary staff expenses, and other employee costs account for the remainder of the increase in compensation and related costs in the 2012 period.

Occupancy and facility costs together with depreciation expense increased \$9.4 million, or 10.3%, compared to the first six months of 2011. The change includes the added costs incurred to expand our facilities around the world as well as update our technology capabilities, including related maintenance programs, to meet increasing business demands.

Other operating expenses were \$107.1 million in the first half of 2012, an increase of \$11.8 million from the comparable 2011 period. The increase is primarily attributable to the reclassification of \$10.2 million in certain third-party servicing costs that were previously reported as reductions of advisory and administrative fee revenues in the first half of 2012.

Non-operating investment income

Our non-operating investment income, which includes the recognition of investment gains and losses, was up \$3.0 million from the first half of 2011, including \$2.5 million in gains realized from the sale of two sponsored mutual fund investments and higher dividends earned on our sponsored mutual fund investments. These increases in investment income were partially offset by foreign exchange transaction losses recognized in the first half of 2012 compared with gains in the 2011 period.

CAPITAL RESOURCES AND LIQUIDITY.

Operating activities during the first half of 2012 provided cash flows of \$494.5 million, a decrease of \$116.0 million from the 2011 period, including \$87.9 million related to the net purchase of securities held by consolidated sponsored mutual funds to which we provided seed capital during the first six months of 2012 and have a controlling interest. Timing differences in the cash settlement of our assets and liabilities decreased our operating cash flows by \$41.2 million compared to the first six months of 2011. These operating cash flow decreases are offset by increases in net income and non-cash expenses for depreciation, amortization, and stock-based compensation. Our interim operating cash flows do not include variable compensation that is accrued throughout the year before being substantially paid out in December.

Net cash used in investing activities totaled \$174.7 million in the first half of 2012, an increase of \$108.3 million from the comparable 2011 period. We made \$132.1 million more net investments in our sponsored mutual funds and increased our capital spending by \$3.6 million in the first half of 2012 compared with the 2011 period. These increases were offset by greater net cash proceeds of \$31.7 million from the debt securities held by our savings bank subsidiary in the first six months of 2012.

Net cash used in financing activities was \$245.4 million in the first half of 2012, a decrease of \$89.1 million from the comparable 2011 period. During the first half of 2011, we expended \$106.1 million more in stock repurchases, including the purchase of 1.8 million more shares, than in the first six months of 2012. This reduction in cash used was partially offset by the change in customer deposits at our savings bank subsidiary during the first half of 2012 compared to the 2011 period as well as a \$12.4 million increase in dividends paid. The increase in dividends paid in the first six months of 2012 is primarily due to the \$.03 increase in our quarterly per-share dividend.

Our cash and mutual fund investments at June 30, 2012 were \$1.9 billion, and we have no debt. We anticipate property and equipment expenditures for the full year 2012 to be about \$100 million and expect to fund them from our cash balances. We generally repurchase shares of our common stock over time to offset the dilution created by our equity-based compensation plans. Given the availability of our financial resources, we do not maintain an available external source of liquidity.

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; our estimated effective income tax rate; and our expectations regarding financial markets, future transactions, investments, capital expenditures, and other market 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 2011. 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 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 or investment impairment that may arise; fluctuation in foreign currency exchange rates applicable to our investment in and the costs of our international operations; changes in our effective tax rate; 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 2011.

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, 2012. Based on that evaluation, our principal executive and principal financial officers have concluded that our disclosure controls and procedures as of June 30, 2012, 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 2012, and has concluded that there was no change during the second quarter of 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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 results of operations is remote.

Item 1A. Risk Factors.

With exception to the update provided below related to our legal and regulatory risk factors, there have been no material changes in the information provided in Item 1A of our Form 10-K Annual Report for 2011.

Our regulatory environment is frequently altered by new regulations and by revisions to, and evolving interpretations of, existing regulations. Future changes could require us to modify or curtail our investment offerings and business operations. For example, the Volcker Rule as currently proposed has led us to begin evaluating whether it remains prudent to maintain our savings bank subsidiary in light of the potential restrictions the rule could place on our other business activities. Although our savings bank operation is not material to the operating results of the company, the final application of the rule is not yet settled and uncertainty related to definitions of covered funds and affiliates could negatively impact our ability to launch and seed new funds if we continue to maintain a savings bank affiliate. Additionally, there is the risk that liquidity in capital markets may be impacted, and it may be more difficult to execute certain transactions on behalf of our clients.

Potential impact of other current or proposed legal or regulatory requirements include, without limitation, the following:

The Federal Reserve Board has recently adopted final regulations related to non-Bank Systemically Important Financial Institutions (“SIFIs”). It has been suggested by some that large mutual funds, particularly money market funds, should be designated as SIFIs. We do not believe that mutual funds should be deemed SIFIs. Further, we do not believe SIFI designation was intended for traditional asset management businesses. If, however, any T. Rowe Price fund or T. Rowe Price affiliate is deemed a SIFI, increased regulatory oversight would apply, which may include enhanced capital, liquidity, leverage, stress testing, resolution planning, and risk management requirements.

There has been increased speculation that additional money market fund reform will be proposed. Proposed reforms could require funds to adopt floating NAVs or various capital buffers or redemption restrictions. Adoption of any such reforms could have a negative impact on the attractiveness of such funds to investors, or the willingness of the firm to sponsor such products.

The Commodity Futures Trading Commission (“CFTC”) has adopted certain amendments to its rules that would limit the ability of mutual funds and certain other products we sponsor to use commodities, futures, swaps and other derivatives without additional registration. Although we do not anticipate the need to register at this time, if our use of these products on behalf of client accounts increases so as to require registration, we would be subject to additional regulatory requirements and costs associated with registration.

The SEC has proposed new municipal adviser registration rules as a result of Dodd-Frank. It is uncertain at this point what the full impact of these new rules will be on our business, but it is expected, if adopted as proposed, that certain affiliates would be subject to additional regulatory requirements and incur costs to ensure compliance with these requirements.

The U.K. Financial Services Bill will fundamentally transform financial services regulation in the U.K. Although the new regulatory architecture will likely have an impact on the manner in which our U.K. subsidiary is supervised, we do not believe there will be substantive changes to the conduct of business rules to which we are subject. However, the operations of our U.K. subsidiary could be impacted to the extent the nature of our supervision or the substance of such rules change.

There has been increased global regulatory focus on the manner in which intermediaries are paid for distribution of mutual funds. Changes to long-standing market practices related to fees or enhanced disclosure requirements may negatively impact sales of mutual funds by intermediaries, especially if such requirements are not applied to other investment products.

Global regulations on OTC derivatives are evolving, including proposed rules under Dodd-Frank and European Market Infrastructure Regulation (“EMIR”) relating to central clearing counterparties, trade reporting and repositories. There is uncertainty related to the requirements under these new regulations and the exact manner in which they will impact current trading strategies for our clients.

We are subject to various laws and regulations in the jurisdictions where we operate outside the U.S., including pan-European Directives, such as the Alternative Investment Fund Management Directive (“AIFMD”). The AIFMD has not yet been implemented and interpretations of certain provisions are not yet final. Depending on such interpretations, the AIFMD may impact remuneration policies, capital requirements, and the manner in which affiliated entities provide services to funds covered by the Directive.

We cannot predict the nature of future changes to the legal and regulatory requirements applicable to our business, nor the extent of the impacts that will result from current or future proposals. However, any such changes are likely to increase the costs of compliance and the complexity of our operations. They may also result in changes to our product or service offerings.

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

(c) Repurchase activity during the second quarter of 2012 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	359,185	\$ 64.86	91,870	13,623,811
May	1,625,095	\$ 59.16	1,610,344	12,013,467
June	606,867	\$ 57.19	500,000	11,513,467
Total	<u>2,591,147</u>	<u>\$ 59.49</u>	<u>2,202,214</u>	

Shares repurchased by us in a quarter may include repurchases conducted pursuant to publicly announced board authorizations, and outstanding shares surrendered to the company to pay the exercise price in connection with swap exercises of employee stock options. The number of shares purchased during the quarter related to swap exercises were 388,933. The maximum number of shares that may yet be purchased are available under the Board of Directors’ September 8, 2010 publicly announced authorization.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On July 25, 2012, we issued a press release reporting our results of operations for the second quarter and first six months of 2012. 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 June 30, 2008 filed on April 10, 2008; File No. 033-07012-99).
- 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 file on February 17, 2009; File No. 033-07012-99).
- 10.03 Transfer Agency and Service Agreement as of January 1, 2012, between T. Rowe Price Services, Inc. and the T. Rowe Price Funds. (Incorporated by reference from Form 485BPOS filed on April 26, 2012; File No. 033-38791).
- 10.04 Agreement as of January 1, 2012, between T. Rowe Price Retirement Plan Services, Inc. and certain of the T. Rowe Price Funds. (Incorporated by reference from Form 485BPOS filed on April 26, 2012; File No. 033-38791).
- 10.18.1 2012 Long-term Incentive Plan. (Incorporated by reference from Form S-8 Registration Statement filed on April 24, 2012; File No. 333-180904).
- 10.18.2 Forms of agreement for restricted stock awards issued under the 2012 Long-term Incentive Plan.
- 10.18.3 Forms of agreement for restricted stock units issued under the 2012 Long-term Incentive Plan.
- 10.18.4 Forms of agreement of stock options issued under the 2012 Long-term 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 25, 2012, reporting our results of operations for the second quarter and first six months of 2012.
- 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-20120630.xml).
 - 101.SCH XBRL Taxonomy Extension Schema Document (File name: trow-20120630.xsd).
 - 101.CAL XBRL Taxonomy Calculation Linkbase Document (File name: trow-20120630_cal.xml).
 - 101.LAB XBRL Taxonomy Label Linkbase Document (File name: trow-20120630_lab.xml).
 - 101.PRE XBRL Taxonomy Presentation Linkbase Document (File name: trow-20120630_pre.xml).
 - 101.DEF XBRL Taxonomy Definition Linkbase Document (File name: trow-20120630_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 25, 2012.

T. Rowe Price Group, Inc.

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

**Notice of Grant of
Restricted Stock Award**

T. Rowe Price Group, Inc.
 ID: 52-2264646
 100 E. Pratt Street
 Baltimore, MD 21202 USA

**JOE EXECUTIVE OFFICER
 100 EAST PRATT STREET
 BALTIMORE, MD 21202 USA**

**Award Number: 000000000004216
 ID: 1234
 Plan: 2012 Long-Term Incentive Plan**

On _____, 2012 (the Grant Date), T. Rowe Price Group, Inc. (Price Group) granted you _____ shares of Price Group common stock (the Award Shares) as a service-based restricted stock award under Price Group's 2012 Long-Term Incentive Plan. The closing price of Price Group common stock on the Grant Date was \$ _____ per share. Until they have been earned and vested, the Award Shares will be subject to restriction, as described in the Statement of Additional Terms Regarding Awards of Restricted Stock (*version 2A*) (the Statement of Additional Terms) which sets forth the terms and conditions of this grant.

Vesting Schedule:

Except as otherwise provided in the Statement of Additional Terms, so long as your employment with Price Group and/or its affiliates is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the Award Shares will vest and become nonforfeitable in installments on the vesting dates set forth in the vesting schedule below.

<u># of Award Shares</u>	<u>Vesting Date</u>
_____	12/ /2013
_____	12/ /2014
_____	12/ /2015
_____	12/ /2016
_____	12/ /2017

The Statement of Additional Terms describes additional circumstances under which you may earn the Award Shares.

Your participation in our stock-based compensation program recognizes that you play a key role in the long-term success of Price Group and affords you the opportunity to participate alongside our other stockholders in that success.

 CEO & President

 Date

To accept this grant you must, **on or after** _____, access the T. Rowe Price Exchange Web site and select myTRP >Compensation, Payroll & Stock>Employee Stock Transactions - TRPG Stock>Equity Awards>Equity Award Information (Express Desktop) or go to <https://home2.troweprice.com/tssso/tssoweb/SSOServlet>. After signing in using your T. Rowe Price network logon and password, you will be in Express Desktop. Click on Grant History under the type of award you received and accept the appropriate award(s) by selecting the Pending link in the Status column. **You must accept this grant by no later than** _____.

By accepting the grant online, you acknowledge that you have been provided, have read and agree to be bound by the terms of the Statement of Additional Terms under which this grant has been made and the prospectus for the 2012 Long-Term Incentive Plan, both of which are available on the Express Desktop. You also consent to the electronic delivery, via email, posting on Price Group's Web site, Express Desktop or the Web site of any third party vendor that provides stock plan administrative services to Price Group, of this Notice, the Statement of Additional Terms and all future notices or other information with respect to this grant, the 2012 Long-Term Incentive Plan, and the common shares of Price Group. 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

**Notice of Grant of
Restricted Stock Award**

T. Rowe Price Group, Inc.
ID: 52-2264646
100 E. Pratt Street
Baltimore, MD 21202 USA

**JOE EXECUTIVE OFFICER
100 EAST PRATT STREET
BALTIMORE, MD 21202 USA**

Award Number: 000000000004216
ID: 1234
Plan: 2012 Long-Term Incentive Plan

On _____, 2012 (the Grant Date), T. Rowe Price Group, Inc. (Price Group) granted you _____ shares of Price Group common stock (the Award Shares) as a performance-based restricted stock award under Price Group's 2012 Long-Term Incentive Plan. The closing price of Price Group common stock on the Grant Date was \$ _____ per share. [This grant is intended to be a Qualified Performance-Based Award as defined in the plan.] Until they have been earned and vested, the Award Shares will be subject to restriction, as described in the Statement of Additional Terms Regarding Awards of Restricted Stock [(*version 2A*)] [(*version 2B*)] (the Statement of Additional Terms) which sets forth the terms and conditions of this grant. The Award Shares become earned and vested as follows, conditioned upon satisfaction of a performance threshold:

Performance Threshold: Price Group's operating margin for the 12-month period measured from [January 1, 2012 to December 31, 2012][July 1, 2012 to June 30, 2013] (the Performance Period) is at least 100% of the average operating margin of the Peer Companies for the same period, subject to adjustment as described in the Statement of Additional Terms (the Industry Average Margin). Operating margin will be determined by dividing net operating income by total revenues for the Performance Period, as reported in the consolidated financial statements filed with the Securities and Exchange Commission or, if such financial statements are not available for a Peer Company at the time of determination, as otherwise disclosed in a press release by such Peer Company; in each case as adjusted to exclude the effects of goodwill impairment, the cumulative effect of changes in accounting policies or principles, and gains or losses from discontinued operations, as each is reflected on the face of or in the notes to the relevant financial statements. For this purpose, the Peer Companies are the entities listed below, subject to adjustment as described in the Statement of Additional Terms.

- Affiliated Managers Group, Inc.
- AllianceBernstein LP
- BlackRock, Inc.
- Eaton Vance Corp.
- Federated Investors, Inc.
- Franklin Resources, Inc.
- Invesco Ltd.
- Janus Capital Group, Inc.
- Legg Mason, Inc.

The Executive Compensation Committee of Price Group's Board of Directors (ECC) will determine, within 60 days after the close of the Performance Period, the extent to which the Performance Threshold has been achieved.

- If Price Group's operating margin for the Performance Period is at least 100% of the Industry Average Margin, all of the Award Shares will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group's operating margin for the Performance Period is at least 90% but less than 100% of the Industry Average Margin, 10% of the Award Shares will be forfeited as of the date such determination is made by the ECC and the remaining 90% of the Award Shares will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group's operating margin for the Performance Period is at least 80% but less than 90% of the Industry Average Margin, 20% of the Award Shares will be forfeited as of the date such determination is made by the ECC and the remaining 80% of the Award Shares will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group's operating margin for the Performance Period is at least 70% but less than 80% of the Industry Average Margin, 30% of the Award Shares will be forfeited as of the date such determination is made by the ECC and the remaining 70% of the Award Shares will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group's operating margin for the Performance Period is at least 60% but less than 70% of the Industry Average Margin, 40% of the Award Shares will be forfeited as of the date such determination is made by the ECC and the remaining 60% of the Award Shares will be eligible to be earned in accordance with the vesting schedule below.

- If Price Group’s operating margin for the Performance Period is at least 50% but less than 60% of the Industry Average Margin, 50% of the Award Shares will be forfeited as of the date such determination is made by the ECC and the remaining 50% of the Award Shares will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group’s operating margin for the Performance Period is less than 50% of the Industry Average Margin, all of the Award Shares will be forfeited as of the date such determination is made by the ECC.

Vesting Schedule:

Except as otherwise provided in the Statement of Additional Terms, so long as your employment with Price Group and/or its affiliates is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the Award Shares that remain eligible to be earned after the ECC determines the extent to which the Performance Threshold has been achieved (Eligible Shares) will vest and become nonforfeitable in equal annual installments on the vesting dates set forth in the vesting schedule below.

<u>% of Eligible Shares</u>	<u>Vesting Date</u>
20%	12/ /2013
20%	12/ /2014
20%	12/ /2015
20%	12/ /2016
20%	12/ /2017

The Statement of Additional Terms describes additional circumstances under which you may earn the Award Shares.

Your participation in our stock-based compensation program recognizes that you play a key role in the long-term success of Price Group and affords you the opportunity to participate alongside our other stockholders in that success.

CEO & President

Date

To accept this grant you must, **on or after** _____, access the T. Rowe Price Exchange Web site and select myTRP >Compensation, Payroll & Stock>Employee Stock Transactions - TRPG Stock>Equity Awards>Equity Award Information (Express Desktop) or go to <https://home2.troweprice.com/tsso/tssoweb/SSOServlet>. After signing in using your T. Rowe Price network logon and password, you will be in Express Desktop. Click on Grant History under the type of award you received and accept the appropriate award(s) by selecting the Pending link in the Status column. **You must accept this grant by no later than** _____.

By accepting the grant online, you acknowledge that you have been provided, have read and agree to be bound by the terms of the Statement of Additional Terms under which this grant has been made and the prospectus for the 2012 Long-Term Incentive Plan, both of which are available on the Express Desktop. You also consent to the electronic delivery, via email, posting on Price Group’s Web site, Express Desktop or the Web site of any third party vendor that provides stock plan administrative services to Price Group, of this Notice, the Statement of Additional Terms and all future notices or other information with respect to this grant, the 2012 Long-Term Incentive Plan, and the common shares of Price Group. 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

STATEMENT OF ADDITIONAL TERMS
REGARDING AWARDS OF RESTRICTED STOCK

(version 2A)

This Statement of Additional Terms Regarding Awards of Restricted Stock (the “**Terms**”) and all of the provisions of the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan (the “**Plan**”) are incorporated into your restricted stock award, the specifics of which are described on the “Notice of Grant of Restricted Stock Award” (the “**Notice**”) that you received. Once you have accepted the Notice in accordance with the instructions set forth thereon, the Terms, the Plan and the Notice, together, constitute a binding and enforceable contract respecting your restricted stock award. That contract is referred to in this document as the “**Agreement**.”

1. Terminology. Capitalized words and phrases used in these Terms are defined in the Glossary at the end of this document or the first place such word or phrase appears in this document.

2. Vesting.

(a) Vested Status upon Grant Date. All of the Award Shares are nonvested and forfeitable as of the Grant Date. For clarity, as used in this Agreement, the term “vest” means that the transfer restrictions on, and risks of forfeiture of, the Award Share lapse and no longer apply to such Award Share (other than as provided under Section 14 – Recoupment).

(b) Vesting Schedule. So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur and all other conditions for earning the Award Shares as set forth in the Notice have been satisfied, the Award Shares will become vested and nonforfeitable on the vesting dates set forth in the correlating Notice. If the Notice indicates that your restricted stock award is a Qualified Performance-Based Award, then in no event will vesting under this Section 2(b) occur before the Executive Compensation Committee has certified in writing the extent to which the applicable Performance Threshold has been satisfied. If the Notice reflects that your restricted stock award is subject to satisfaction of a Performance Threshold then, to the extent that satisfaction of the Performance Threshold is determined based on information reported by a Peer Company in financial statements filed with the Securities and Exchange Commission or information otherwise disclosed by a Peer Company in a press release, such a determination shall be final and conclusive and no adjustment thereafter shall be made to the number of Award Shares eligible to vest in the event that a Peer Company thereafter files or discloses restated or updated financial information. To the extent that satisfaction of the Performance Threshold is to be determined based on information reported by Peer Companies, any Peer Company that has not filed financial statements with the Securities and Exchange Commission or otherwise disclosed in a press release the relevant financial information for the Performance Period within 45 days after the end of the Performance Period in question, will not be considered a Peer Company for purposes of the determination. To the extent that satisfaction of the Performance Threshold is to be determined based on financial information reported for a

specified period ending on the close of a calendar quarter and a Peer Company reports its relevant financial information over a fiscal period that does not end on the close of a calendar quarter, the Committee shall use the financial information reported by such Peer Company that most closely correlates to the duration of the Performance Period as reported before the close of the Performance Period. For example, if the Performance Period is the 12-month period that ends December 31, 2012, and a Peer Company's fiscal year ends on October 31, 2012, then for purposes of calculating the Performance Threshold and the extent to which such Performance Threshold has been satisfied, the relevant financial information for the 12-month period that ends October 31, 2012 will be used for such Peer Company.

(c) Vesting upon Death or Disability. All Award Shares that have not already vested or been previously forfeited will become vested and nonforfeitable upon your death or Termination of Service due to your Total and Permanent Disability.

(d) Double-trigger Vesting. If, coincident with or during the 18-month period following the effective date of a Change in Control, your Service is terminated either (i) by the Company or a successor to the Company, other than for Cause, Total and Permanent Disability or death or (ii) by you for Good Reason, then all Award Shares that have not already vested or been previously forfeited or cancelled in connection with the Change in Control will become vested and nonforfeitable upon such Termination of Service.

3. Forfeitures Upon Termination of Service.

(a) Termination of Service. If your Service ceases for any reason, all Award Shares that are not then vested and nonforfeitable, after giving effect to the applicable provisions of Section 2 above, will be immediately forfeited to the Company upon such cessation for no consideration.

(b) Forfeiture of Accrued Dividends. Any accrued dividends attributable to forfeited Award Shares shall also be forfeited if and when the Award Shares are forfeited.

(c) Consequences of Forfeiture. You acknowledge and agree that upon the forfeiture of any unvested Award Shares, (i) your right to vote and to receive cash dividends on, and all other rights, title or interest in, to or with respect to, the forfeited Award Shares shall automatically, without further act, terminate and (ii) the forfeited Award Shares shall be returned to the Company. You hereby irrevocably appoint (which appointment is coupled with an interest) the Committee as your agent and attorney-in-fact to take any necessary or appropriate action to cause the forfeited Award Shares to be returned to the Company, including without limitation executing and delivering stock powers and instruments of transfer, making endorsements and/or making, initiating or issuing instructions or entitlement orders, all in your name and on your behalf. You hereby ratify and approve all acts done by the Committee as such attorney-in-fact. Without limiting the foregoing, you expressly acknowledge and agree that any transfer agent for the Common Stock of the Company is fully authorized and protected in relying on, and shall incur no liability in acting on, any documents, instruments, endorsements, instructions, orders or communications from the Committee in connection with the forfeited Award Shares or the transfer thereof, and that any such transfer agent is a third party beneficiary of this Agreement.

4. Restrictions on Transfer. 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) other than by your last will and testament or the laws of descent and distribution, and shall not be made subject to execution, attachment or similar process. Any attempt to dispose of any such Award Shares in contravention of the restrictions set forth in this paragraph shall be null and void and without effect. The Company shall not be required to (a) transfer on its books any Award Shares that have been sold or transferred in contravention of this Agreement or (b) 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 Grant Date 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.

6. Cash Dividends on Award Shares. 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; provided, however, that if the Notice reflects that your restricted stock award is subject to satisfaction of a Performance Threshold then any regular cash dividends that become payable with respect to unvested Award Shares before the Performance Threshold has been determined to have been satisfied will be accrued and held by the Company or an escrow agent appointed by the Committee until a determination has been made by the Executive Compensation Committee as to whether and the extent to which the Performance Threshold has been satisfied. Any such accrued dividends will be paid to you within 14 days after the date on which the Executive Compensation Committee determines that, and the extent to which, the Performance Threshold has been satisfied or will be forfeited to the Company if and when the Award Shares to which they relate are forfeited due to a failure to satisfy the Performance Threshold.

7. Tax Election and Tax Withholding.

(a) General Authority to Withhold. By accepting the Notice correlating with these Terms, you agree to make adequate provision for foreign (non-United States), federal, state and local taxes and social insurance contributions required by law to be withheld, if any, which arise in connection with the grant or vesting of the Award Shares. The Company shall have the right to deduct from any compensation or any other payment of any kind due you (including withholding the issuance or delivery of shares of Common Stock or redeeming Award Shares) the amount of any foreign (non-United States), federal, state or local taxes and social insurance contributions required by law to be withheld as a result of the grant or vesting of the Award Shares; provided, however, that the value of the shares of Common Stock withheld may not exceed, by more than a fractional share, 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) Withholding Taxes Satisfied with Shares of Common Stock. The Company may, in its sole discretion, permit or require you to satisfy, in whole or in part, any tax withholding or social insurance contribution obligation which may arise in connection with the Award Shares either by having the Company withhold from the shares to be released upon vesting that number of shares, or by delivering 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) Section 83(b) Election Right. 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 Code, and that any such election, if made, must be made within 30 days of the Grant Date. 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.

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 Common Stock, (i) the number of Award Shares, (ii) the number of such Award Shares that are then nonvested and forfeitable, and (iii) the number of Award Shares eligible to vest on each subsequent vesting date under the vesting schedule set forth on the Notice 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; provided that such adjustments do not result in the issuance of fractional Award Shares. Adjustments under this paragraph will be made by the Committee, whose determination regarding such adjustments will be final, binding and conclusive.

(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 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.

9. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your 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.

10. Rights as Stockholder. Except as otherwise provided in this Agreement with respect to the nonvested and forfeitable Award Shares and the payment of regular cash dividends thereon, you are entitled to all rights of a stockholder of the Company, including the right to vote the Award Shares.

11. 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 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.

(a) Method of Delivery. The Company may from time to time 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

(b) Consent and Acknowledgment. By your accepting the Notice correlating to these Terms, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Award Shares and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

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, as amended from time to time or any successor thereto (the “**Recoupment Policy**”), are incorporated by reference into this Agreement and shall apply to your award of restricted stock if you on the Grant Date are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

15. **Entire Agreement.** This Agreement, together with the correlating Notice and the Plan, contain the entire agreement between you and the Company with respect to the Award Shares awarded hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the acceptance of the Notice correlating to these Terms with respect to the Award Shares awarded hereunder shall be void and ineffective for all purposes.

16. **Amendment.** Except as otherwise provided in the Plan, the Committee may unilaterally amend the terms of this Agreement, but no such amendment shall materially impair your rights with respect to your Award Shares without your consent, except such an amendment made to cause the Plan or the Agreement to comply with applicable law, applicable rule of any securities exchange on which the Common Stock is listed or admitted for trading, or to prevent adverse tax or accounting consequences for you or the Company or any of its Affiliates. 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.

17. **Conformity with Plan.** These Terms are intended to conform with, and are subject to all applicable provisions 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://home2.troweprice.com/tso/tssoweb/SSOServlet> or in hard copy upon request to the Payroll and Stock Transaction Group in the CFO-Finance Department in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

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. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Baltimore, Maryland or any state court in the district which includes Baltimore, Maryland. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

19. **Resolution of Disputes.** Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Committee in good faith 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. You agree that before you may bring any legal

action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Committee. You further agree that in the event that the Committee does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than 24 months after the Committee's decision.

20. **Service and Employment Acknowledgments.** By accepting the Notice, you acknowledge and agree that: (i) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan or this Agreement; (ii) you are voluntarily participating in the Plan; (iii) 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 or benefits in lieu of Award Shares, even if Award Shares have been awarded repeatedly in the past; (iv) 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 or exercisable and the number of Award Shares subject to each award, will be at the sole discretion of the Committee; (v) the value of the Award Shares is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (vi) 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, welfare or retirement benefits; (vii) 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 in this Agreement; (viii) the value of the Award Shares cannot be predicted with certainty and will change over time and the Company does not guarantee any future value; (ix) if you are not an employee of the Company, the Award Shares grant will not be interpreted to form an employment contract or relationship with the Company; nothing in this Agreement shall confer upon you any right to continue in the service of the Company or interfere in any way with any right of the Company to terminate your service as a director, an employee or consultant, as the case may be, at any time, subject to applicable law; the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the Award Shares; and (x) no claim or entitlement to compensation or damages arises if the value of the Award Shares decreases and in consideration for the grant of the Award Shares you irrevocably release the Company from any claim or entitlement to compensation or damages that does arise in connection with the Award Shares.

21. **Data Privacy Consent.** *For purposes of the implementation, administration and management of the Award Shares and the Plan or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "Corporate Transaction"), you explicitly and unambiguously consent, by accepting the Notice, 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 or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social insurance number, tax identification*

number, date of birth, nationality, job title or duties, salary and payroll location, data for tax withholding purposes and Award Shares awarded, cancelled, vested and unvested) is held by the Company and may be transferred to any broker designated by the Committee or third parties assisting in the implementation, administration and management of the Award Shares or the Plan or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data, in electronic or other form, by the recipient(s) for these purposes. 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 personal data will be held only as long as is necessary to implement, administer and manage the Award Shares or Plan or effect a Corporate Transaction. You understand that, to the extent required by applicable law, 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 in the Baltimore, Maryland – Pratt Street office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an award of Award Shares or otherwise participate in the Plan.

22. Consideration for Award Shares. To ensure compliance with applicable state corporate law, the Company may require you to furnish consideration in the form of cash or cash equivalents equal to the par value of the Award Shares and you hereby authorize the Company to withhold such amount from remuneration otherwise due you from the Company.

23. 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 previously, now or hereafter existing, in which the Company, directly or indirectly, at the relevant time 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) “**Award Shares**” means the shares of Common Stock awarded to you as set forth on the Notice.

(d) “**Board**” means the Board of Directors of T. Rowe Price Group, Inc.

(e) “**Cause**” means: (i) your plea of guilty or *nolo contendere* (or a similar plea) to, or conviction of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Company, as determined by the Committee in its sole discretion, or that legally prohibits you from working for the Company; (ii) your breach of a regulatory rule that adversely affects your ability to perform your employment duties to the Company in any material respect; or (iii) your failure, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of the Company, (C) follow reasonable directions received from the Company or (D) comply with covenants contained in any contract with the Company to which you are a party; provided, however, that you shall be provided a written notice describing in reasonable detail the facts which are considered to give rise to a breach described in this clause (iii) and you shall have 30 days following receipt of such written notice during which you may remedy the condition and, if so remedied, no Cause for Termination of Service shall exist.

(f) “**Change in Control**” has the meaning ascribed to such term in the Plan.

(g) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor section, regulations and guidance.

(h) “**Committee**” means the Executive Compensation Committee, or such other committee(s) or officer(s) duly appointed by the Board or the Executive Compensation Committee to administer the Plan or delegated limited authority to perform administrative actions under the Plan, and having such powers as shall be specified by the Board or the Executive Compensation Committee; provided, however, that at any time the Board may serve as the Committee in lieu of or in addition to the Executive Compensation Committee or such other committee(s) or officer(s) to whom administrative authority has been delegated.

(i) “**Common Stock**” means shares of common stock of T. Rowe Price Group, Inc., par value twenty cents (\$0.20) per share and any capital securities into which they are converted.

(j) “**Company**” means T. Rowe Price Group, Inc. and its Affiliates and successors, 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.

(k) “**Corporate Transaction**” means the consummation of a reorganization, merger, tender offer, share exchange, consolidation or other business combination, acquisition of Price Group equity securities, or sale or other disposition of all or substantially all of the assets of Price Group or the acquisition of assets of another entity.

(l) “**Executive Compensation Committee**” means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc.

(m) “**Good Reason**” means, during the 18-month period following a Change in Control, actions taken by the Company or any successor corporation or other entity in a Corporate Transaction resulting in a material negative change in your employment relationship in one or more of the following ways:

(i) the assignment to you of duties materially inconsistent with your position (including offices, titles and reporting requirements), authority, duties or responsibilities, or a material diminution in such position, authority, duties or responsibilities, in each case from those in effect immediately prior to the Change in Control;

(ii) a material reduction of your aggregate annual compensation, including, without limitation, base salary and annual bonus and incentive compensation opportunity, from that in effect immediately prior to the Change in Control; or

(iii) a change in your principal place of employment that increases your commute by 75 or more miles as compared to your commute immediately prior to the Change in Control.

In order to invoke a Termination of Service for Good Reason, you must provide written notice to the Company or any successor corporation or other entity in a Corporate Transaction with respect to which you are employed or providing services (as applicable, the “**Service Recipient**”) of the existence of one or more of the conditions constituting Good Reason within 90 days following your knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason, and the Service Recipient shall have 30 days following receipt of such written notice (the “**Cure Period**”) during which it may remedy the condition. In the event that the Service Recipient fails to remedy the condition constituting Good Reason during the applicable Cure Period, your Termination of Service must occur, if at all, within 90 days following the expiration of such Cure Period in order for such termination as a result of such condition to constitute a Termination of Service for Good Reason.

(n) "**Grant Date**" means the date set forth on the Notice indicating when the grant of Award Shares was approved by the Committee.

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

(p) "**Peer Company**" or collectively "**Peer Companies**" means each of the entities listed on the correlating Notice and each Peer Company's successor; so long as each Peer Company has a class of common securities listed for public trade on a national securities exchange or market from the beginning through the end of the Performance Period or otherwise files financial statements with the Securities and Exchange Commission, as defined on the correlating Notice. The Peer Companies shall be changed as follows:

(i) In the event that, at any time during the Performance Period, a Peer Company is no longer included in the same Standard & Poor's Global Industry Classification Standard ("GICS") Sub-Industry as Price Group, such company shall no longer be a Peer Company.

(ii) In the event of a merger, acquisition or business combination transaction of a Peer Company with or by another Peer Company, the surviving entity shall remain a Peer Company, provided that the surviving entity is still in the same GICS Sub-Industry as Price Group.

(iii) In the event of a merger of a Peer Company with or by an entity that is not a Peer Company, or the acquisition or business combination transaction of a Peer Company with an entity that is not a Peer Company, in each case, where the Peer Company is the surviving entity, the surviving entity shall remain a Peer Company, provided that the surviving entity is still in the same GICS Sub-Industry as Price Group.

(iv) In the event of a merger or acquisition or business combination transaction of a Peer Company with or by an entity that is not a Peer Company, other form of "going private" transaction relating to any Peer Company or the liquidation of any Peer Company, where such Peer Company is not the surviving entity or is otherwise no longer publicly traded, the company shall no longer be a Peer Company.

(v) In the event of a bankruptcy of a Peer Company, such company shall remain a Peer Company.

(q) "**Performance Threshold**" means the performance objective(s) set forth on the Notice, if any, which must be satisfied in order for any Award Shares to become vested, except as otherwise provided in this Agreement.

(r) "**Plan**" means the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan.

(s) "**Price Group**" means T. Rowe Price Group, Inc.

(t) “**Qualified Performance-Based Award**” means a grant that is intended by the Executive Compensation Committee to qualify for the exemption from the limitation on deductibility imposed by Section 162(m)(4)(C) of the Code.

(u) “**Service**” means your employment with the Company, inclusive of any period of credited service that may be allocated to you by the Company in writing for periods during which you were not employed with the Company. Your Service will be considered to have ceased with the 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 its successor or an Affiliate of T. Rowe Price Group, Inc. or its successor.

(v) “**Termination of Service**” means the termination of your employment with the Company. Temporary absences from employment because of illness, vacation or leave of absence and transfers among entities which comprise the Company, including all Affiliates, shall not be considered Terminations of Service; provided, however, that the Committee has discretion to determine that a Termination of Service has occurred if, for six continuous months, you are absent or otherwise unable for any reason to perform substantially all the essential duties of your position, as determined by the Committee. The Committee has discretion to determine the date upon which you incur a Termination of Service.

(w) “**Terms**” mean this Statement of Additional Terms Regarding Awards of Restricted Stock.

(x) “**Total and Permanent Disability**” means that you are (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until your death or result in death, or (ii) determined to be totally disabled by the Social Security Administration or other governmental or quasi-governmental body that administers a comparable social insurance program outside of the United States in which you participate and which conditions the right to receive benefits under such program on your being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last until your death or result in death. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of your condition.

(y) “**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}

**Notice of Grant of
Restricted Stock Units Award**

T. Rowe Price Group, Inc.
ID: 52-2264646
100 E. Pratt Street
Baltimore, MD 21202 USA

**JOE EXECUTIVE OFFICER
100 EAST PRATT STREET
BALTIMORE, MD 21202 USA**

**Award Number: 000000000004216
ID: 1234
Plan: 2012 Long-Term Incentive Plan**

On _____, 2012 (the Grant Date), T. Rowe Price Group, Inc. (Price Group) granted you _____ restricted stock units pertaining to Price Group common stock (the Stock Units) as a service-based restricted stock units award under Price Group’s 2012 Long-Term Incentive Plan. The closing price of Price Group common stock on the Grant Date was \$ _____ per share. The Stock Units, upon vesting, convert to shares of Price Group common stock, as described in the Statement of Additional Terms Regarding Awards of Restricted Stock Units [(version 2A)] [(version 2B)] (the Statement of Additional Terms) which sets forth the terms and conditions of this grant.

Vesting Schedule:

Except as otherwise provided in the Statement of Additional Terms, so long as your employment with Price Group and/or its affiliates is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the Stock Units will become vested and will be converted to shares of Price Group common stock in installments on the vesting dates set forth in the vesting schedule below.

<u># of Stock Units</u>	<u>Vesting Date</u>
_____	12/ /2013
_____	12/ /2014
_____	12/ /2015
_____	12/ /2016
_____	12/ /2017

The Statement of Additional Terms describes additional circumstances under which you may earn the Stock Units.

Your participation in our stock-based compensation program recognizes that you play a key role in the long-term success of Price Group and affords you the opportunity to participate alongside our other stockholders in that success.

CEO & President

Date

To accept this grant you must, **on or after** _____, access the T. Rowe Price Exchange Web site and select myTRP >Compensation, Payroll & Stock>Employee Stock Transactions - TRPG Stock>Equity Awards>Equity Award Information (Express Desktop) or go to <https://home2.troweprice.com/tso/tssoweb/SSOServlet>. After signing in using your T. Rowe Price network logon and password, you will be in Express Desktop. Click on Grant History under the type of award you received and accept the appropriate award(s) by selecting the Pending link in the Status column. **You must accept this grant by no later than** _____.

By accepting the grant online, you acknowledge that you have been provided, have read and agree to be bound by the terms of the Statement of Additional Terms under which this grant has been made and the prospectus for the 2012 Long-Term Incentive Plan, both of which are available on the Express Desktop. You also consent to the electronic delivery, via email, posting on Price Group’s Web site, Express Desktop or the Web site of any third party vendor that provides stock plan administrative services to Price Group, of this Notice, the Statement of Additional Terms and all future notices or other information with respect to this grant, the 2012 Long-Term Incentive Plan, and the common shares of Price Group. 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

**Notice of Grant of
Restricted Stock Units Award**

T. Rowe Price Group, Inc.
ID: 52-2264646
100 E. Pratt Street
Baltimore, MD 21202 USA

**JOE EXECUTIVE OFFICER
100 EAST PRATT STREET
BALTIMORE, MD 21202 USA**

**Award Number: 000000000004216
ID: 1234
Plan: 2012 Long-Term Incentive Plan**

On _____, 2012 (the Grant Date), T. Rowe Price Group, Inc. (Price Group) granted you _____ restricted stock units pertaining to Price Group common stock (the Stock Units) as a performance-based restricted stock units award under Price Group's Long-Term Incentive Plan. The closing price of Price Group common stock on the Grant Date was \$ _____ per share. [This grant is intended to be a Qualified Performance-Based Award as defined in the plan.] The Stock Units, upon vesting, convert to shares of Price Group common stock, as described in the Statement of Additional Terms Regarding Awards of Restricted Stock Units [(version 2A)] [(version 2B)] (the Statement of Additional Terms) which sets forth the terms and conditions of this grant.

The Stock Units become earned and vested as follows, conditioned upon satisfaction of a performance threshold:

Performance Threshold: Price Group's operating margin for the 12-month period measured from [January 1, 2012 to December 31, 2012][July 1, 2012 to June 30, 2013] (the Performance Period) is at least 100% of the average operating margin of the Peer Companies for the same period, subject to adjustment as described in the Statement of Additional Terms (the Industry Average Margin). Operating margin will be determined by dividing net operating income by total revenues for the Performance Period, as reported in the consolidated financial statements filed with the Securities and Exchange Commission or, if such financial statements are not available for a Peer Company at the time of determination, as otherwise disclosed in a press release by such Peer Company; in each case as adjusted to exclude the effects of goodwill impairment, the cumulative effect of changes in accounting policies or principles, and gains or losses from discontinued operations, as each is reflected on the face of or in the notes to the relevant financial statements. For this purpose, the Peer Companies are the entities listed below, subject to adjustment as described in the Statement of Additional Terms.

- Affiliated Managers Group, Inc.
- AllianceBernstein LP
- BlackRock, Inc.
- Eaton Vance Corp.
- Federated Investors, Inc.
- Franklin Resources, Inc.
- Invesco Ltd.
- Janus Capital Group, Inc.
- Legg Mason, Inc.

The Executive Compensation Committee of Price Group's Board of Directors (ECC) will determine, within 60 days after the close of the Performance Period, the extent to which the Performance Threshold has been achieved.

- If Price Group's operating margin for the Performance Period is at least 100% of the Industry Average Margin, all of the Stock Units will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group's operating margin for the Performance Period is at least 90% but less than 100% of the Industry Average Margin, 10% of the Stock Units will be forfeited as of the date such determination is made by the ECC and the remaining 90% of the Stock Units will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group's operating margin for the Performance Period is at least 80% but less than 90% of the Industry Average Margin, 20% of the Stock Units will be forfeited as of the date such determination is made by the ECC and the remaining 80% of the Stock Units will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group's operating margin for the Performance Period is at least 70% but less than 80% of the Industry Average Margin, 30% of the Stock Units will be forfeited as of the date such determination is made by the ECC and the remaining 70% of the Stock Units will be eligible to be earned in accordance with the vesting schedule below.

- If Price Group's operating margin for the Performance Period is at least 60% but less than 70% of the Industry Average Margin, 40% of the Stock Units will be forfeited as of the date such determination is made by the ECC and the remaining 60% of the Stock Units will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group's operating margin for the Performance Period is at least 50% but less than 60% of the Industry Average Margin, 50% of the Stock Units will be forfeited as of the date such determination is made by the ECC and the remaining 50% of the Stock Units will be eligible to be earned in accordance with the vesting schedule below.
- If Price Group's operating margin for the Performance Period is less than 50% of the Industry Average Margin, all of the Stock Units will be forfeited as of the date such determination is made by the ECC.

Vesting Schedule:

Except as otherwise provided in the Statement of Additional Terms, so long as your employment with Price Group and/or its affiliates is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the Stock Units that remain eligible to be earned after the ECC determines the extent to which the Performance Threshold has been achieved (Eligible Units) will become vested and will be converted to shares of Price Group common stock in equal annual installments on the vesting dates set forth in the vesting schedule below.

<u>% of Eligible Units</u>	<u>Vesting Date</u>
20%	12/ /2013
20%	12/ /2014
20%	12/ /2015
20%	12/ /2016
20%	12/ /2017

The Statement of Additional Terms describes additional circumstances under which you may earn the Stock Units.

Your participation in our stock-based compensation program recognizes that you play a key role in the long-term success of Price Group and affords you the opportunity to participate alongside our other stockholders in that success.

CEO & President

Date

To accept this grant you must, **on or after** _____, access the T. Rowe Price Exchange Web site and select myTRP >Compensation, Payroll & Stock>Employee Stock Transactions - TRPG Stock>Equity Awards>Equity Award Information (Express Desktop) or go to <https://home2.troweprice.com/tso/tssoweb/SSOServlet>. After signing in using your T. Rowe Price network logon and password, you will be in Express Desktop. Click on Grant History under the type of award you received and accept the appropriate award(s) by selecting the Pending link in the Status column. **You must accept this grant by no later than** _____.

By accepting the grant online, you acknowledge that you have been provided, have read and agree to be bound by the terms of the Statement of Additional Terms under which this grant has been made and the prospectus for the 2012 Long-Term Incentive Plan, both of which are available on the Express Desktop. You also consent to the electronic delivery, via email, posting on Price Group's Web site, Express Desktop or the Web site of any third party vendor that provides stock plan administrative services to Price Group, of this Notice, the Statement of Additional Terms and all future notices or other information with respect to this grant, the 2012 Long-Term Incentive Plan, and the common shares of Price Group. 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

STATEMENT OF ADDITIONAL TERMS
REGARDING AWARDS OF RESTRICTED STOCK UNITS

(version 2A)

This Statement of Additional Terms Regarding Awards of Restricted Stock Units (the “**Terms**”) and all of the provisions of the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan (the “**Plan**”) are incorporated into your stock units award, the specifics of which are described on the “Notice of Grant of Restricted Stock Units Award” (the “**Notice**”) that you received. Once you have accepted the Notice in accordance with the instructions set forth thereon, the Terms, the Plan and the Notice, together, constitute a binding and enforceable contract respecting your restricted stock units award. That contract is referred to in this document as the “**Agreement**.”

1. Terminology. Capitalized words and phrases used in these Terms are defined in the Glossary at the end of this document or the first place such word or phrase appears in this document.

2. Vesting.

(a) Vested Status upon Grant Date. All of the Stock Units are nonvested and forfeitable as of the Grant Date. Your Stock Units will become vested for purposes of this Agreement only on the applicable vesting dates under the vesting schedule set forth on the correlating Notice or on the dates specified in Section 2(d), Section 2(e), or Section 9, as applicable, notwithstanding the fact that, prior to any such date, subsequent vesting ceases to be conditioned upon your continued employment with the Company or any other substantial risk of forfeiture ceases to exist. A vested Stock Unit remains subject to the terms, conditions and forfeiture provisions provided for in the Plan and in this Agreement.

(b) Vesting Schedule. So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur and all other conditions for earning the Stock Units as set forth in the Notice have been satisfied, the Stock Units will become vested and nonforfeitable on the vesting dates set forth in the correlating Notice. If the Notice indicates that your restricted stock units award is a Qualified Performance-Based Award, then in no event will vesting under this Section 2(b) occur before the Executive Compensation Committee has certified in writing the extent to which the applicable Performance Threshold has been satisfied. If the Notice reflects that your restricted stock award is subject to satisfaction of a Performance Threshold then, to the extent that satisfaction of the Performance Threshold is determined based on information reported by a Peer Company in financial statements filed with the Securities and Exchange Commission or information otherwise disclosed by a Peer Company in a press release, such a determination shall be final and conclusive and no adjustment thereafter shall be made to the number of Stock Units eligible to vest in the event that a Peer Company thereafter files or discloses restated or updated financial information. To the extent that satisfaction of the Performance Threshold is to be determined based on information reported by Peer Companies, any Peer Company that has not filed

financial statements with the Securities and Exchange Commission or otherwise disclosed in a press release the relevant financial information for the Performance Period within 45 days after the end of the Performance Period in question, will not be considered a Peer Company for purposes of the determination. To the extent that satisfaction of the Performance Threshold is to be determined based on financial information reported for a specified period ending on the close of a calendar quarter and a Peer Company reports its relevant financial information over a fiscal period that does not end on the close of a calendar quarter, the Committee shall use the financial information reported by such Peer Company that most closely correlates to the duration of the Performance Period as reported before the close of the Performance Period. For example, if the Performance Period is the 12-month period that ends December 31, 2012, and a Peer Company's fiscal year ends on October 31, 2012, then for purposes of calculating the Performance Threshold and the extent to which such Performance Threshold has been satisfied, the relevant financial information for the 12-month period that ends October 31, 2012 will be used for such Peer Company.

(c) Post-employment Vesting Continuation.

(i) If, as of the date on which your Termination of Service occurs, you have attained age 60 and have at least ten years of Service credit with the Company (as determined by the Committee), including Service with any successor to the Company, then, except as otherwise provided in this Agreement, the then-unvested Stock Units that have not been previously forfeited and which are scheduled to vest within the 36-month period immediately following your Termination of Service will become vested and nonforfeitable, notwithstanding the fact that your Service has terminated, on their scheduled vesting dates set forth in the correlating Notice provided that all other conditions for earning the Stock Units as set forth in the Notice are satisfied.

(ii) Notwithstanding the provisions of Section 2(c)(i) to the contrary, unless the Committee determines otherwise, your unvested Stock Units and all accrued dividend equivalents with respect to your unvested Stock Units will be immediately forfeited for no consideration, no further vesting will accrue and no shares of Common Stock will be delivered in respect thereof, if you breach any of the restrictive covenants set forth in Section 8.

(d) Vesting upon Death or Disability. All Stock Units that have not already vested or been previously forfeited will become vested and nonforfeitable upon your death or Termination of Service due to your Total and Permanent Disability.

(e) Double-trigger Vesting. If, coincident with or during the 18-month period following the effective date of a Change in Control, your Service is terminated either (i) by the Company or a successor to the Company, other than for Cause, Total and Permanent Disability or death or (ii) by you for Good Reason, then all Stock Units that have not already vested or been previously forfeited or terminated in connection with the Change in Control will become vested and nonforfeitable upon such Termination of Service.

3. Forfeitures Upon Termination of Service.

(a) Termination before Attaining Age 60 with 10 Years of Service. If your Service ceases for any reason before you have attained age 60 with at least ten years of Service credit with the Company (as determined by the Committee), including any successor to

the Company, all Stock Units that are not then vested and nonforfeitable, after giving effect to the applicable provisions of Section 2 above, will be immediately forfeited upon such cessation for no consideration.

(b) Termination after Attaining Age 60 with 10 Years of Service. If, as of the date on which your Termination of Service occurs, you have attained age 60 and have at least ten years of Service credit with the Company (as determined by the Committee), including any successor to the Company, then Stock Units that are not then vested and nonforfeitable, after giving effect to the applicable provisions of Section 2 above, and which are scheduled to vest on the vesting dates set forth in the correlating Notice that fall beyond the 36-month period immediately following your Termination of Service, will be immediately forfeited upon such cessation for no consideration and Section 2(c) and Section 8 will apply to the then-unvested Stock Units which are scheduled to vest within the 36-month period immediately following your Termination of Service.

(c) Forfeiture of Accrued Dividend Equivalents. Any accrued dividend equivalents attributable to forfeited Stock Units shall also be forfeited if and when the Stock Units are forfeited.

(d) Consequences of Forfeiture. You acknowledge and agree that upon the forfeiture of any unvested Stock Units, your right to receive dividend equivalents on, and all other rights, title or interest in, to or with respect to, the forfeited Stock Units and the shares into which they otherwise may have been converted shall automatically, without further act, terminate.

4. Restrictions on Transfer. 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 Stock Units may not be made subject to execution, attachment or similar process.

5. Dividend Equivalent Payments. On each dividend payment date for each regular cash dividend payable with respect to the 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 Stock Units outstanding on the record date regardless of the vested or nonvested status of the Stock Units; provided, however, that if the Notice reflects that your Stock Units are subject to satisfaction of a Performance Threshold then any regular cash dividends that become payable with respect to unvested Stock Units before the Performance Threshold has been determined to have been satisfied will be accrued and held by the Company or an escrow agent appointed by the Committee until a determination has been made by the Executive Compensation Committee as to whether and the extent to which the Performance Threshold has been satisfied. Any such accrued dividends will be paid to you, without interest, within 14 days after the date on which the Executive Compensation Committee determines that, and the extent to which, the Performance Threshold has been satisfied or will be forfeited to the Company if and when the Stock Units to which they relate are forfeited due to a failure to satisfy the Performance Threshold.

6. Settlement of Stock Units. Your Stock Units will be settled automatically, via the issuance of Common Stock as described herein, when or as soon as practicable, but in all events within 30 days, after they become vested and nonforfeitable in accordance with Section 2 or Section 9, as applicable. You may not, directly or indirectly, designate the calendar

year in which such settlement will be made. You are not required to make any monetary payment (other than applicable tax withholding, if required) as a condition to settlement of the Stock Units. The Company will issue to you, in settlement of your Stock Units, the number of whole shares of Common Stock that equals the number of whole Stock Units that vested, and the vested 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 Withholding.

(a) General Authority to Withhold. By accepting the Notice correlating with these Terms, you agree to make adequate provision for foreign (non-United States), federal, state and local taxes and social insurance contributions required by law to be withheld, if any, which arise in connection with the Stock Units. The Company shall have the right to deduct from any compensation or any other payment of any kind due you (including withholding the issuance or delivery of shares of Common Stock) the amount of any foreign (non-United States), federal, state or local taxes and social insurance contributions required by law to be withheld as a result of the vesting or settlement of the 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 Common Stock withheld may not exceed, by more than a fractional share, 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 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) Withholding Taxes Satisfied with Shares of Common Stock. The Company may, in its sole discretion, permit or require you to satisfy, in whole or in part, any tax withholding or social insurance contribution obligation which may arise in connection with the Stock Units either by having the Company withhold from the shares to be issued upon vesting that number of shares, or by delivering 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. Restrictive Covenants.

(a) Termination of Vesting. Notwithstanding anything in Section 2 or Section 3 to the contrary, unless the Committee determines otherwise, upon the occurrence of any Prohibited Action set forth in Section 8(b), the following shall occur with respect to your Stock Units: (i) no further Stock Units will become vested and (ii) Stock Units that are not then vested and nonforfeitable will be immediately forfeited for no consideration.

(b) Prohibited Actions. The following actions are considered **Prohibited Actions** and subject to the consequences set forth in Section 8(a) above, whether engaged in by you directly or indirectly, either as an employee, employer, consultant, or in any other capacity:

(i) engaging in any Competing Business. "**Competing Business**" shall be defined as the business of investment advisory services to individual and/or institutional investors, retirement plan services, discount brokerage, trust services, and any other business which is competitive with the business activities of the Company;

(ii) soliciting, encouraging, or inducing any customers or clients of the Company who were current or prospective customers or clients as of the date on which your Termination of Service occurred, to terminate or reduce his, her or its relationship with the Company or not to proceed with, or enter into, any business relationship with the Company, or otherwise interfering with any such business relationship with the Company, including by encouraging or suggesting any investment management client of the Company (A) to withdraw any funds for which the Company provides investment management or advisory services, or (B) not to engage the Company to provide investment management or advisory services for any funds;

(iii) (A) soliciting, encouraging, or inducing any officer, director, employee, agent, partner, consultant or independent contractor of the Company to terminate, modify or reduce his or her relationship with the Company, (B) hiring, employing, supervising, managing or engaging any such individual, or (C) otherwise attempting to disrupt or interfere with the Company's relationship with any such individual;

(iv) using, reproducing, or disclosing any Confidential Information of the Company. "**Confidential Information**" shall be defined as client and customer lists, information with respect to the name, address, contact persons or requirements of any customer or client, other information relating to clients and prospective clients from whom the Company has solicited business or plans to solicit business, information relating to business plans and business that is conducted or anticipated to be conducted, research, technology, computer software, processes, products, pricing, costs, business methods, business objectives or strategies, marketing plans and finances;

(v) pleading guilty or *nolo contendere* (or a similar plea) to, or being convicted of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Company, as determined by the Committee in its sole discretion, or that legally prohibits you from working for the Company;

(vi) breaching a regulatory rule that adversely affects your ability to perform your employment duties to the Company in any material respect; and

(vii) failing, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of the Company, (C) follow reasonable directions received from the Company or (D) comply with covenants contained in any contract with the Company to which you are a party.

(c) Blue Pencil. If any of the provisions or terms of this Section 8 is construed by a court of competent jurisdiction to be invalid or unenforceable, it shall not affect the remainder of this Agreement, which shall be given full force and effect without regard to the invalid provision. Any invalid or unenforceable provision shall be reformed to the maximum time, geographic and/or customer limitations permitted by the applicable laws, so as to be valid and enforceable.

(d) Notification To Company. For as long as you have outstanding unvested Stock Units, you covenant and agree that you will disclose to the Company the identity of any new employer within two business days of being employed or engaged by such new employer, and upon request of the Committee in advance of the settlement of any Stock Unit you will provide to the Company information sufficient to confirm that you have not engaged in any Prohibited Actions.

9. 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 Common Stock, the number of outstanding Stock Units and the number of Stock Units eligible to vest on each subsequent vesting date under the vesting schedule set forth on the Notice shall, without further action of the Committee, be adjusted to reflect such event; provided, however, that any fractional Stock Units resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Committee, whose determination regarding such adjustments will be final, binding and conclusive.

(b) Discretionary Adjustments. In the case of a merger, consolidation, stock rights offering, liquidation, statutory share exchange or similar event affecting Price Group, the Committee may make such other adjustments to outstanding Stock Units as it determines to be appropriate and desirable, which adjustments may include, without limitation, (i) the cancellation of outstanding Stock Units in exchange for payments of cash, securities or other property or a combination thereof having an aggregate value equal to the value of such Stock Units, as determined by the Committee in its sole discretion, (ii) the substitution of securities or other property (including, without limitation, cash or other securities of Price Group and securities of entities other than Price Group) for the shares of Common Stock subject to outstanding Stock Units, and (iii) the substitution of equivalent awards, as determined in the sole discretion of the Committee, of the surviving or successor entity or a parent thereof; provided, however, that all adjustments shall be made in compliance with the requirements of Section 409A of the Code and provided further that the Committee shall not have the authority to make adjustments pursuant to this paragraph to the extent that the existence of such authority would cause the Stock Units to fail to comply with Section 409A of the Code.

(c) Dissolution or Liquidation. Unless the Committee determines otherwise, all of the Stock Units shall terminate upon the dissolution or liquidation of Price Group.

(d) Change in Control. Notwithstanding anything in this Agreement or the Plan to the contrary, in the event that a Change in Control occurs, outstanding Stock Units will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Stock Units by, or for the substitution of equivalent units, as determined in the sole discretion of the Committee, of, the surviving or successor entity or a parent thereof. In the event of such termination, (i) the outstanding Stock Units that will terminate upon the effective time of the Change in Control shall, immediately before the effective time of the Change in Control, become fully vested, and (ii) the Committee may take any of the actions set forth in Section 9(b) with respect to any or all of the Stock Units. Implementation of the provisions of the immediately foregoing sentence shall be conditioned upon consummation of the Change in Control.

10. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your 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 Stock Units or any other adverse effect on your interests under the Plan.

11. 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 Common Stock subject to the Stock Units, including without limitation, any voting rights, unless and until such shares are duly issued and delivered to you.

12. The Company's Rights. The existence of the Stock Units will not affect in any way the right or power of the Price Group 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 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.

13. 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.

14. Electronic Delivery of Documents.

(a) Methods of Delivery. The Company may from time to time electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

(b) Consent and Acknowledgment. By your accepting the Notice correlating to these Terms, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Stock Units and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

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, as amended from time to time or any successor thereto (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your Stock Units if you on the Grant Date are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

16. Entire Agreement. This Agreement, together with the correlating Notice and the Plan, contain the entire agreement between you and the Company with respect to the Stock Units awarded hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the acceptance of the Notice correlating to these Terms with respect to the Stock Units awarded hereunder shall be void and ineffective for all purposes.

17. Amendment. Except as otherwise provided in the Plan, the Committee may unilaterally amend the terms of this Agreement, but no such amendment shall materially impair your rights with respect to your Stock Units without your consent, except such an amendment made to cause the Plan or the Agreement to comply with applicable law, applicable rule of any securities exchange on which the Common Stock is listed or admitted for trading, or to prevent adverse tax or accounting consequences for you or the Company or any of its Affiliates. 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.

18. Conformity with Plan. These Terms are intended to conform with, and are subject to all applicable provisions 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://home2.troweprice.com/tsso/tssoweb/SSOServlet> or in hard copy upon request to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

19. No Funding. This Agreement constitutes an unfunded and unsecured promise by the Company to make payments and issue shares of 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 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.

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. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts

which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Baltimore, Maryland or any state court in the district which includes Baltimore, Maryland. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

21. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Committee in good faith 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. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Committee. You further agree that in the event that the Committee does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than 24 months after the Committee's decision.

22. 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.

23. 409A Savings Clause. This Agreement and the Stock Units awarded hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. This Agreement and the Stock Units shall be administered, interpreted and construed in a manner consistent with this intent. Should any provision of this Agreement or the 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 or warranty by the Company of any particular tax effect of the Stock Units.

24. Service and Employment Acknowledgments. By accepting the Notice, you acknowledge and agree that: (i) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan or this Agreement; (ii) you are voluntarily participating in the Plan; (iii) the award of Stock Units is a one-time benefit which does not create any contractual or other right to receive future awards of Stock Units, or compensation or benefits in lieu of Stock Units, even if Stock Units have been awarded repeatedly in the past; (iv) all determinations with respect to any such future awards, including, but not limited to, the times when Stock Units shall be awarded or shall become vested or exercisable and the number of Stock Units subject to each award, will be at the sole discretion of the Committee; (v) the value of the Stock Units is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (vi) the value of the 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, welfare or retirement benefits; (vii) the vesting of the 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 in this Agreement; (viii) the value of the Stock Units and the underlying Shares cannot be predicted with certainty and will change over time and the Company does not guarantee any future value; (ix) if you are not an employee of the Company, the Stock Units grant will not be interpreted to form an employment contract or relationship with the Company; nothing in this Agreement shall confer upon you any right to continue in the service of the Company or interfere in any way with any right of the Company to terminate your service as a director, an employee or consultant, as the case may be, at any time, subject to applicable law; the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the Shares underlying the Stock Units; and (x) no claim or entitlement to compensation or damages arises if the value of the Stock Units or the underlying Shares decreases and in consideration for the grant of the Stock Units you irrevocably release the Company from any claim or entitlement to compensation or damages that does arise in connection with the Stock Units.

25. **Data Privacy Consent.** *For purposes of the implementation, administration and management of the Stock Units and the Plan or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "Corporate Transaction"), you explicitly and unambiguously consent, by accepting the Notice, 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 or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social insurance number, tax identification number, date of birth, nationality, job title or duties, salary and payroll location, data for tax withholding purposes and Stock Units awarded, cancelled, vested and unvested) is held by the Company and may be transferred to any broker designated by the Committee or third parties assisting in the implementation, administration and management of the Stock Units or the Plan or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data, in electronic or other form, by the recipient(s) for these purposes. 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 personal data will be held only as long as is necessary to implement, administer and manage the Stock Units or Plan or effect a Corporate Transaction. You understand that, to the extent required by applicable law, 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 in the Baltimore, Maryland – Pratt Street office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an award of Stock Units or otherwise participate in the Plan.*

26. 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 previously, now or hereafter existing, in which the Company, directly or indirectly, at the relevant time 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) “**Cause**” means: (i) your plea of guilty or *nolo contendere* (or a similar plea) to, or conviction of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Company, as determined by the Committee in its sole discretion, or that legally prohibits you from working for the Company; (ii) your breach of a regulatory rule that adversely affects your ability to perform your employment duties to the Company in any material respect; or (iii) your failure, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of the Company, (C) follow reasonable directions received from the Company or (D) comply with covenants contained in any contract with the Company to which you are a party; provided, however, that you shall be provided a written notice describing in reasonable detail the facts which are considered to give rise to a breach described in this clause (iii) and you shall have 30 days following receipt of such written notice during which you may remedy the condition and, if so remedied, no Cause for Termination of Service shall exist.

(d) “**Change of Control**” has the meaning ascribed to such term in the Plan.

(e) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor section, regulations and guidance.

(f) “**Committee**” means the Executive Compensation Committee, or such other committee(s) or officer(s) duly appointed by the Board or the Executive Compensation Committee to administer the Plan or delegated limited authority to perform administrative actions under the Plan, and having such powers as shall be specified by the Board or the Executive Compensation Committee; provided, however, that at any time the Board may serve as the Committee in lieu of or in addition to the Executive Compensation Committee or such other committee(s) or officer(s) to whom administrative authority has been delegated.

(g) “**Common Stock**” means shares of common stock of T. Rowe Price Group, Inc., par value twenty cents (\$0.20) per share and any capital securities into which they are converted.

(h) “**Company**” means T. Rowe Price Group, Inc. and its Affiliates and successors, 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.

(i) “**Corporate Transaction**” means the consummation of a reorganization, merger, tender offer, share exchange, consolidation or other business combination, acquisition of Price Group equity securities, or sale or other disposition of all or substantially all of the assets of Price Group or the acquisition of assets of another entity.

(j) “**Executive Compensation Committee**” means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc.

(k) “**Good Reason**” means, during the 18-month period following a Change in Control, actions taken by the Company or any successor corporation or other entity in a Corporate Transaction resulting in a material negative change in your employment relationship in one or more of the following ways:

(i) the assignment to you of duties materially inconsistent with your position (including offices, titles and reporting requirements), authority, duties or responsibilities, or a material diminution in such position, authority, duties or responsibilities, in each case from those in effect immediately prior to the Change in Control;

(ii) a material reduction of your aggregate annual compensation, including, without limitation, base salary and annual bonus and incentive compensation opportunity, from that in effect immediately prior to the Change in Control; or

(iii) a change in your principal place of employment that increases your commute by 75 or more miles as compared to your commute immediately prior to the Change in Control.

In order to invoke a Termination of Service for Good Reason, you must provide written notice to the Company or any successor corporation or other entity in a Corporate Transaction with respect to which you are employed or providing services (as applicable, the “**Service Recipient**”) of the existence of one or more of the conditions constituting Good Reason within 90 days following your knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason, and the Service Recipient shall have 30 days following receipt of such written notice (the “**Cure Period**”) during which it may remedy the condition. In the event that the Service Recipient fails to remedy the condition constituting Good Reason during the applicable Cure Period, your Termination of Service must occur, if at all, within 90 days following the expiration of such Cure Period in order for such termination as a result of such condition to constitute a Termination of Service for Good Reason.

(l) “**Grant Date**” means the date set forth on the Notice indicating when the grant of Stock Units was approved by the Committee.

(m) “**Notice**” means the Notice of Grant of Restricted Stock Units Award which correlates with these Terms and sets forth the specifics of the applicable award of Stock Units.

(n) “**Peer Company**” or collectively “**Peer Companies**” means each of the entities listed on the correlating Notice and each Peer Company’s successor; so long as each

Peer Company has a class of common securities listed for public trade on a national securities exchange or market from the beginning through the end of the Performance Period or otherwise files financial statements with the Securities and Exchange Commission, as defined on the correlating Notice. The Peer Companies shall be changed as follows:

(i) In the event that, at any time during the Performance Period, a Peer Company is no longer included in the same Standard & Poor's Global Industry Classification Standard ("GICS") Sub-Industry as Price Group, such company shall no longer be a Peer Company.

(ii) In the event of a merger, acquisition or business combination transaction of a Peer Company with or by another Peer Company, the surviving entity shall remain a Peer Company, provided that the surviving entity is still in the same GICS Sub-Industry as Price Group.

(iii) In the event of a merger of a Peer Company with or by an entity that is not a Peer Company, or the acquisition or business combination transaction of a Peer Company with an entity that is not a Peer Company, in each case, where the Peer Company is the surviving entity, the surviving entity shall remain a Peer Company, provided that the surviving entity is still in the same GICS Sub-Industry as Price Group.

(iv) In the event of a merger or acquisition or business combination transaction of a Peer Company with or by an entity that is not a Peer Company, other form of "going private" transaction relating to any Peer Company or the liquidation of any Peer Company, where such Peer Company is not the surviving entity or is otherwise no longer publicly traded, the company shall no longer be a Peer Company.

(v) In the event of a bankruptcy of a Peer Company, such company shall remain a Peer Company.

(o) "**Performance Threshold**" means the performance objective(s) set forth on the Notice, if any, which must be satisfied in order for any Stock Units to become vested, except as otherwise provided in this Agreement.

(p) "**Plan**" means the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan.

(q) "**Price Group**" means T. Rowe Price Group, Inc.

(r) "**Qualified Performance-Based Award**" means a grant that is intended by the Executive Compensation Committee to qualify for the exemption from the limitation on deductibility imposed by Section 162(m)(4)(C) of the Code.

(s) "**Service**" means your employment with the Company, inclusive of any period of credited service that may be allocated to you by the Company in writing for periods during which you were not employed with the Company. Your Service will be considered to have ceased with the 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 its successor or an Affiliate of T. Rowe Price Group, Inc. or its successor.

(t) “**Stock Unit**” means a bookkeeping entry used by the Company to record and account for the grant of a restricted stock unit until such time as such restricted stock unit is settled, forfeited or terminated, as the case may be. Each Stock Unit represents a contractual obligation of the Company to deliver one share of Common Stock to the holder upon vesting of the Stock Unit.

(u) “**Termination of Service**” means the termination of your employment with the Company. Temporary absences from employment because of illness, vacation or leave of absence and transfers among entities which comprise the Company, including all Affiliates, shall not be considered Terminations of Service; provided, however, that the Committee has discretion to determine that a Termination of Service has occurred if, for six continuous months, you are absent or otherwise unable for any reason to perform substantially all the essential duties of your position, as determined by the Committee. The Committee has discretion to determine the date upon which you incur a Termination of Service.

(v) “**Terms**” mean this Statement of Additional Terms Regarding Awards of Restricted Stock Units.

(w) “**Total and Permanent Disability**” means that you are (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until your death or result in death, or (ii) determined to be totally disabled by the Social Security Administration or other governmental or quasi-governmental body that administers a comparable social insurance program outside of the United States in which you participate and which conditions the right to receive benefits under such program on your being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last until your death or result in death. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of your condition.

(x) “**You**”; “**Your**”. You means the recipient of the 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 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
REGARDING AWARDS OF RESTRICTED STOCK UNITS

(version 2B)

This Statement of Additional Terms Regarding Awards of Restricted Stock Units (the “**Terms**”) and all of the provisions of the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan (the “**Plan**”) are incorporated into your stock units award, the specifics of which are described on the “Notice of Grant of Restricted Stock Units Award” (the “**Notice**”) that you received. Once you have accepted the Notice in accordance with the instructions set forth thereon, the Terms, the Plan and the Notice, together, constitute a binding and enforceable contract respecting your restricted stock units award. That contract is referred to in this document as the “**Agreement**.”

1. Terminology. Capitalized words and phrases used in these Terms are defined in the Glossary at the end of this document or the first place such word or phrase appears in this document.

2. Vesting.

(a) Vested Status upon Grant Date. All of the Stock Units are nonvested and forfeitable as of the Grant Date. Your Stock Units will become vested for purposes of this Agreement only on the applicable vesting dates under the vesting schedule set forth on the correlating Notice or on the dates specified in Section 2(d), Section 2(e), or Section 9, as applicable, notwithstanding the fact that, prior to any such date, subsequent vesting ceases to be conditioned upon your continued employment with the Company or any other substantial risk of forfeiture ceases to exist. A vested Stock Unit remains subject to the terms, conditions and forfeiture provisions provided for in the Plan and in this Agreement.

(b) Vesting Schedule. So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur and all other conditions for earning the Stock Units as set forth in the Notice have been satisfied, the Stock Units will become vested and nonforfeitable on the vesting dates set forth in the correlating Notice. If the Notice indicates that your restricted stock units award is a Qualified Performance-Based Award, then in no event will vesting under this Section 2(b) occur before the Executive Compensation Committee has certified in writing the extent to which the applicable Performance Threshold has been satisfied. If the Notice reflects that your restricted stock award is subject to satisfaction of a Performance Threshold then, to the extent that satisfaction of the Performance Threshold is determined based on information reported by a Peer Company in financial statements filed with the Securities and Exchange Commission or information otherwise disclosed by a Peer Company in a press release, such a determination shall be final and conclusive and no adjustment thereafter shall be made to the number of Stock Units eligible to vest in the event that a Peer Company thereafter files or discloses restated or updated financial information. To the extent that satisfaction of the Performance Threshold is to be determined based on information reported by Peer Companies, any Peer Company that has not filed

financial statements with the Securities and Exchange Commission or otherwise disclosed in a press release the relevant financial information for the Performance Period within 45 days after the end of the Performance Period in question, will not be considered a Peer Company for purposes of the determination. To the extent that satisfaction of the Performance Threshold is to be determined based on financial information reported for a specified period ending on the close of a calendar quarter and a Peer Company reports its relevant financial information over a fiscal period that does not end on the close of a calendar quarter, the Committee shall use the financial information reported by such Peer Company that most closely correlates to the duration of the Performance Period as reported before the close of the Performance Period. For example, if the Performance Period is the 12-month period that ends December 31, 2012, and a Peer Company's fiscal year ends on October 31, 2012, then for purposes of calculating the Performance Threshold and the extent to which such Performance Threshold has been satisfied, the relevant financial information for the 12-month period that ends October 31, 2012 will be used for such Peer Company.

(c) Post-employment Vesting Continuation.

(i) If, as of the date on which your Termination of Service occurs, you have at least 35 years of Credited Service and at least ten years of that Credited Service is attributable to Service with the Company (as determined by the Committee), including Service with any successor to the Company, then, except as otherwise provided in this Agreement, the then-unvested Stock Units that have not been previously forfeited and which are scheduled to vest within the 36-month period immediately following your Termination of Service will become vested and nonforfeitable, notwithstanding the fact that your Service has terminated, on their scheduled vesting dates set forth in the correlating Notice provided that all other conditions for earning the Stock Units as set forth in the Notice are satisfied.

(ii) Notwithstanding the provisions of Section 2(c)(i) to the contrary, unless the Committee determines otherwise, your unvested Stock Units and all accrued dividend equivalents with respect to your unvested Stock Units will be immediately forfeited for no consideration, no further vesting will accrue and no shares of Common Stock will be delivered in respect thereof, if you breach any of the restrictive covenants set forth in Section 8.

(d) Vesting upon Death or Disability. All Stock Units that have not already vested or been previously forfeited will become vested and nonforfeitable upon your death or Termination of Service due to your Total and Permanent Disability.

(e) Double-trigger Vesting. If, coincident with or during the 18-month period following the effective date of a Change in Control, your Service is terminated either (i) by the Company or a successor to the Company, other than for Cause, Total and Permanent Disability or death or (ii) by you for Good Reason, then all Stock Units that have not already vested or been previously forfeited or terminated in connection with the Change in Control will become vested and nonforfeitable upon such Termination of Service.

3. Forfeitures Upon Termination of Service.

(a) Termination before Accruing 35 Years of Credited Service with 10 Years of Service with the Company. If your Service ceases for any reason before you have at least 35

years of Credited Service with at least ten years of Credited Service that is attributable to Service with the Company (as determined by the Committee), including any successor to the Company, all Stock Units that are not then vested and nonforfeitable, after giving effect to the applicable provisions of Section 2 above, will be immediately forfeited upon such cessation for no consideration.

(b) Termination after Accruing 35 Years of Credited Service with 10 Years of Service with the Company. If, as of the date on which your Termination of Service occurs, you have at least 35 years of Credited Service and at least ten years of that Credited Service is attributable to Service with the Company (as determined by the Committee), including any successor to the Company, then Stock Units that are not then vested and nonforfeitable, after giving effect to the applicable provisions of Section 2 above, and which are scheduled to vest on the vesting dates set forth in the correlating Notice that fall beyond the 36-month period immediately following your Termination of Service, will be immediately forfeited upon such cessation for no consideration and Section 2(c) and Section 8 will apply to the then-unvested Stock Units which are scheduled to vest within the 36-month period immediately following your Termination of Service.

(c) Forfeiture of Accrued Dividend Equivalents. Any accrued dividend equivalents attributable to forfeited Stock Units shall also be forfeited if and when the Stock Units are forfeited.

(d) Consequences of Forfeiture. You acknowledge and agree that upon the forfeiture of any unvested Stock Units, your right to receive dividend equivalents on, and all other rights, title or interest in, to or with respect to, the forfeited Stock Units and the shares into which they otherwise may have been converted shall automatically, without further act, terminate.

4. Restrictions on Transfer. 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 Stock Units may not be made subject to execution, attachment or similar process.

5. Dividend Equivalent Payments. On each dividend payment date for each regular cash dividend payable with respect to the 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 Stock Units outstanding on the record date regardless of the vested or nonvested status of the Stock Units; provided, however, that if the Notice reflects that your Stock Units are subject to satisfaction of a Performance Threshold then any regular cash dividends that become payable with respect to unvested Stock Units before the Performance Threshold has been determined to have been satisfied will be accrued and held by the Company or an escrow agent appointed by the Committee until a determination has been made by the Executive Compensation Committee as to whether and the extent to which the Performance Threshold has been satisfied. Any such accrued dividends will be paid to you, without interest, within 14 days after the date on which the Executive Compensation Committee determines that, and the extent to which, the Performance Threshold has been satisfied or will be forfeited to the Company if and when the Stock Units to which they relate are forfeited due to a failure to satisfy the Performance Threshold.

6. Settlement of Stock Units. Your Stock Units will be settled automatically, via the issuance of Common Stock as described herein, when or as soon as practicable, but in all events within 30 days, after they become vested and nonforfeitable in accordance with Section 2 or Section 9, as applicable. You may not, directly or indirectly, designate the calendar year in which such settlement will be made. You are not required to make any monetary payment (other than applicable tax withholding, if required) as a condition to settlement of the Stock Units. The Company will issue to you, in settlement of your Stock Units, the number of whole shares of Common Stock that equals the number of whole Stock Units that vested, and the vested 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 Withholding.

(a) General Authority to Withhold. By accepting the Notice correlating with these Terms, you agree to make adequate provision for foreign (non-United States), federal, state and local taxes and social insurance contributions required by law to be withheld, if any, which arise in connection with the Stock Units. The Company shall have the right to deduct from any compensation or any other payment of any kind due you (including withholding the issuance or delivery of shares of Common Stock) the amount of any foreign (non-United States), federal, state or local taxes and social insurance contributions required by law to be withheld as a result of the vesting or settlement of the 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 Common Stock withheld may not exceed, by more than a fractional share, 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 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) Withholding Taxes Satisfied with Shares of Common Stock. The Company may, in its sole discretion, permit or require you to satisfy, in whole or in part, any tax withholding or social insurance contribution obligation which may arise in connection with the Stock Units either by having the Company withhold from the shares to be issued upon vesting that number of shares, or by delivering 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. Restrictive Covenants.

(a) Termination of Vesting. Notwithstanding anything in Section 2 or Section 3 to the contrary, unless the Committee determines otherwise, upon the occurrence of any Prohibited Action set forth in Section 8(b), the following shall occur with respect to your Stock Units: (i) no further Stock Units will become vested and (ii) Stock Units that are not then vested and nonforfeitable will be immediately forfeited for no consideration.

(b) Prohibited Actions. The following actions are considered **Prohibited Actions** and subject to the consequences set forth in Section 8(a) above, whether engaged in by you directly or indirectly, either as an employee, employer, consultant, or in any other capacity:

(i) engaging in any Competing Business. "**Competing Business**" shall be defined as the business of investment advisory services to individual and/or institutional investors, retirement plan services, discount brokerage, trust services, and any other business which is competitive with the business activities of the Company;

(ii) soliciting, encouraging, or inducing any customers or clients of the Company who were current or prospective customers or clients as of the date on which your Termination of Service occurred, to terminate or reduce his, her or its relationship with the Company or not to proceed with, or enter into, any business relationship with the Company, or otherwise interfering with any such business relationship with the Company, including by encouraging or suggesting any investment management client of the Company (A) to withdraw any funds for which the Company provides investment management or advisory services, or (B) not to engage the Company to provide investment management or advisory services for any funds;

(iii) (A) soliciting, encouraging, or inducing any officer, director, employee, agent, partner, consultant or independent contractor of the Company to terminate, modify or reduce his or her relationship with the Company, (B) hiring, employing, supervising, managing or engaging any such individual, or (C) otherwise attempting to disrupt or interfere with the Company's relationship with any such individual;

(iv) using, reproducing, or disclosing any Confidential Information of the Company. "**Confidential Information**" shall be defined as client and customer lists, information with respect to the name, address, contact persons or requirements of any customer or client, other information relating to clients and prospective clients from whom the Company has solicited business or plans to solicit business, information relating to business plans and business that is conducted or anticipated to be conducted, research, technology, computer software, processes, products, pricing, costs, business methods, business objectives or strategies, marketing plans and finances;

(v) pleading guilty or *nolo contendere* (or a similar plea) to, or being convicted of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Company, as determined by the Committee in its sole discretion, or that legally prohibits you from working for the Company;

(vi) breaching a regulatory rule that adversely affects your ability to perform your employment duties to the Company in any material respect; and

(vii) failing, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of the Company, (C) follow reasonable directions received from the Company or (D) comply with covenants contained in any contract with the Company to which you are a party.

(c) Blue Pencil. If any of the provisions or terms of this Section 8 is construed by a court of competent jurisdiction to be invalid or unenforceable, it shall not affect the remainder of this Agreement, which shall be given full force and effect without regard to the invalid provision. Any invalid or unenforceable provision shall be reformed to the maximum time, geographic and/or customer limitations permitted by the applicable laws, so as to be valid and enforceable.

(d) Notification To Company. For as long as you have outstanding unvested Stock Units, you covenant and agree that you will disclose to the Company the identity of any new employer within two business days of being employed or engaged by such new employer, and upon request of the Committee in advance of the settlement of any Stock Unit you will provide to the Company information sufficient to confirm that you have not engaged in any Prohibited Actions.

9. 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 Common Stock, the number of outstanding Stock Units and the number of Stock Units eligible to vest on each subsequent vesting date under the vesting schedule set forth on the Notice shall, without further action of the Committee, be adjusted to reflect such event; provided, however, that any fractional Stock Units resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Committee, whose determination regarding such adjustments will be final, binding and conclusive.

(b) Discretionary Adjustments. In the case of a merger, consolidation, stock rights offering, liquidation, statutory share exchange or similar event affecting Price Group, the Committee may make such other adjustments to outstanding Stock Units as it determines to be appropriate and desirable, which adjustments may include, without limitation, (i) the cancellation of outstanding Stock Units in exchange for payments of cash, securities or other property or a combination thereof having an aggregate value equal to the value of such Stock Units, as determined by the Committee in its sole discretion, (ii) the substitution of securities or other property (including, without limitation, cash or other securities of Price Group and securities of entities other than Price Group) for the shares of Common Stock subject to outstanding Stock Units, and (iii) the substitution of equivalent awards, as determined in the sole discretion of the Committee, of the surviving or successor entity or a parent thereof; provided, however, that all adjustments shall be made in compliance with the requirements of Section 409A of the Code and provided further that the Committee shall not have the authority to make adjustments pursuant to this paragraph to the extent that the existence of such authority would cause the Stock Units to fail to comply with Section 409A of the Code.

(c) Dissolution or Liquidation. Unless the Committee determines otherwise, all of the Stock Units shall terminate upon the dissolution or liquidation of Price Group.

(d) Change in Control. Notwithstanding anything in this Agreement or the Plan to the contrary, in the event that a Change in Control occurs, outstanding Stock Units will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Stock Units by, or for the substitution of equivalent units, as determined in the sole discretion of the Committee, of, the surviving or successor entity or a parent thereof. In the event of such termination, (i) the

outstanding Stock Units that will terminate upon the effective time of the Change in Control shall, immediately before the effective time of the Change in Control, become fully vested, and (ii) the Committee may take any of the actions set forth in Section 9(b) with respect to any or all of the Stock Units. Implementation of the provisions of the immediately foregoing sentence shall be conditioned upon consummation of the Change in Control.

10. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your 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 Stock Units or any other adverse effect on your interests under the Plan.

11. 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 Common Stock subject to the Stock Units, including without limitation, any voting rights, unless and until such shares are duly issued and delivered to you.

12. The Company's Rights. The existence of the Stock Units will not affect in any way the right or power of the Price Group 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 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.

13. 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.

14. Electronic Delivery of Documents.

(a) Methods of Delivery. The Company may from time to time electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

(b) Consent and Acknowledgment. By your accepting the Notice correlating to these Terms, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Stock Units and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper

copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

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, as amended from time to time or any successor thereto (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your Stock Units if you on the Grant Date are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

16. Entire Agreement. This Agreement, together with the correlating Notice and the Plan, contain the entire agreement between you and the Company with respect to the Stock Units awarded hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the acceptance of the Notice correlating to these Terms with respect to the Stock Units awarded hereunder shall be void and ineffective for all purposes.

17. Amendment. Except as otherwise provided in the Plan, the Committee may unilaterally amend the terms of this Agreement, but no such amendment shall materially impair your rights with respect to your Stock Units without your consent, except such an amendment made to cause the Plan or the Agreement to comply with applicable law, applicable rule of any securities exchange on which the Common Stock is listed or admitted for trading, or to prevent adverse tax or accounting consequences for you or the Company or any of its Affiliates. 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.

18. Conformity with Plan. These Terms are intended to conform with, and are subject to all applicable provisions 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://home2.troweprice.com/tssso/tssoweb/SSOServlet> or in hard copy upon request to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

19. No Funding. This Agreement constitutes an unfunded and unsecured promise by the Company to make payments and issue shares of 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 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.

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. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Baltimore, Maryland or any state court in the district which includes Baltimore, Maryland. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

21. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Committee in good faith 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. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Committee. You further agree that in the event that the Committee does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than 24 months after the Committee's decision.

22. 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.

23. 409A Savings Clause. This Agreement and the Stock Units awarded hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. This Agreement and the Stock Units shall be administered, interpreted and construed in a manner consistent with this intent. Should any provision of this Agreement or the 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 or warranty by the Company of any particular tax effect of the Stock Units.

24. Service and Employment Acknowledgments. By accepting the Notice, you acknowledge and agree that: (i) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan or this Agreement; (ii) you are voluntarily participating in the Plan; (iii) the award of Stock Units is a one-time benefit which does not create any contractual or other right to receive future awards of Stock Units, or compensation or benefits in lieu of Stock Units, even if Stock Units have been awarded repeatedly in the past; (iv) all determinations with respect to any such future awards, including, but not limited to, the times when Stock Units shall be awarded or shall become vested or exercisable and the number of Stock Units subject to each award, will be at the sole discretion of the Committee; (v) the value of the Stock Units is an extraordinary item of compensation

which is outside the scope of your employment contract, if any; (vi) the value of the 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, welfare or retirement benefits; (vii) the vesting of the 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 in this Agreement; (viii) the value of the Stock Units and the underlying Shares cannot be predicted with certainty and will change over time and the Company does not guarantee any future value; (ix) if you are not an employee of the Company, the Stock Units grant will not be interpreted to form an employment contract or relationship with the Company; nothing in this Agreement shall confer upon you any right to continue in the service of the Company or interfere in any way with any right of the Company to terminate your service as a director, an employee or consultant, as the case may be, at any time, subject to applicable law; the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the Shares underlying the Stock Units; and (x) no claim or entitlement to compensation or damages arises if the value of the Stock Units or the underlying Shares decreases and in consideration for the grant of the Stock Units you irrevocably release the Company from any claim or entitlement to compensation or damages that does arise in connection with the Stock Units.

25. **Data Privacy Consent.** *For purposes of the implementation, administration and management of the Stock Units and the Plan or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "Corporate Transaction"), you explicitly and unambiguously consent, by accepting the Notice, 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 or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social insurance number, tax identification number, date of birth, nationality, job title or duties, salary and payroll location, data for tax withholding purposes and Stock Units awarded, cancelled, vested and unvested) is held by the Company and may be transferred to any broker designated by the Committee or third parties assisting in the implementation, administration and management of the Stock Units or the Plan or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data, in electronic or other form, by the recipient(s) for these purposes. 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 personal data will be held only as long as is necessary to implement, administer and manage the Stock Units or Plan or effect a Corporate Transaction. You understand that, to the extent required by applicable law, 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 in the Baltimore, Maryland – Pratt Street office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an award of Stock Units or otherwise participate in the Plan.*

26. 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 previously, now or hereafter existing, in which the Company, directly or indirectly, at the relevant time 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) “**Cause**” means: (i) your plea of guilty or *nolo contendere* (or a similar plea) to, or conviction of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Company, as determined by the Committee in its sole discretion, or that legally prohibits you from working for the Company; (ii) your breach of a regulatory rule that adversely affects your ability to perform your employment duties to the Company in any material respect; or (iii) your failure, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of the Company, (C) follow reasonable directions received from the Company or (D) comply with covenants contained in any contract with the Company to which you are a party; provided, however, that you shall be provided a written notice describing in reasonable detail the facts which are considered to give rise to a breach described in this clause (iii) and you shall have 30 days following receipt of such written notice during which you may remedy the condition and, if so remedied, no Cause for Termination of Service shall exist.

(d) “**Change of Control**” has the meaning ascribed to such term in the Plan.

(e) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor section, regulations and guidance.

(f) “**Committee**” means the Executive Compensation Committee, or such other committee(s) or officer(s) duly appointed by the Board or the Executive Compensation Committee to administer the Plan or delegated limited authority to perform administrative actions under the Plan, and having such powers as shall be specified by the Board or the Executive Compensation Committee; provided, however, that at any time the Board may serve as the Committee in lieu of or in addition to the Executive Compensation Committee or such other committee(s) or officer(s) to whom administrative authority has been delegated.

(g) “**Common Stock**” means shares of common stock of T. Rowe Price Group, Inc., par value twenty cents (\$0.20) per share and any capital securities into which they are converted.

(h) “**Company**” means T. Rowe Price Group, Inc. and its Affiliates and successors, 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.

(i) “**Corporate Transaction**” means the consummation of a reorganization, merger, tender offer, share exchange, consolidation or other business combination, acquisition of Price Group equity securities, or sale or other disposition of all or substantially all of the assets of Price Group or the acquisition of assets of another entity.

(j) “**Credited Service**” means the sum of the period(s) during which you are in Service with the Company plus any period of service that may be allocated to you by the Committee, in its sole discretion, in writing for periods during which you were not employed with the Company but you were engaged in activities through which you gained relevant industry experience, as determined in the Committee’s discretion.

(k) “**Executive Compensation Committee**” means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc.

(l) “**Good Reason**” means, during the 18-month period following a Change in Control, actions taken by the Company or any successor corporation or other entity in a Corporate Transaction resulting in a material negative change in your employment relationship in one or more of the following ways:

(i) the assignment to you of duties materially inconsistent with your position (including offices, titles and reporting requirements), authority, duties or responsibilities, or a material diminution in such position, authority, duties or responsibilities, in each case from those in effect immediately prior to the Change in Control;

(ii) a material reduction of your aggregate annual compensation, including, without limitation, base salary and annual bonus and incentive compensation opportunity, from that in effect immediately prior to the Change in Control; or

(iii) a change in your principal place of employment that increases your commute by 75 or more miles as compared to your commute immediately prior to the Change in Control.

In order to invoke a Termination of Service for Good Reason, you must provide written notice to the Company or any successor corporation or other entity in a Corporate Transaction with respect to which you are employed or providing services (as applicable, the “**Service Recipient**”) of the existence of one or more of the conditions constituting Good Reason within 90 days following your knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason, and the Service Recipient shall have 30 days following receipt of such written notice (the “**Cure Period**”) during which it may remedy the condition. In the event that the Service Recipient fails to remedy the condition constituting Good Reason during the applicable Cure Period, your Termination of Service must occur, if at all, within 90 days following the expiration of such Cure Period in order for such termination as a result of such condition to constitute a Termination of Service for Good Reason.

(m) “**Grant Date**” means the date set forth on the Notice indicating when the grant of Stock Units was approved by the Committee.

(n) “**Notice**” means the Notice of Grant of Restricted Stock Units Award which correlates with these Terms and sets forth the specifics of the applicable award of Stock Units.

(o) “**Peer Company**” or collectively “**Peer Companies**” means each of the entities listed on the correlating Notice and each Peer Company’s successor; so long as each Peer Company has a class of common securities listed for public trade on a national securities exchange or market from the beginning through the end of the Performance Period or otherwise files financial statements with the Securities and Exchange Commission, as defined on the correlating Notice. The Peer Companies shall be changed as follows:

(i) In the event that, at any time during the Performance Period, a Peer Company is no longer included in the same Standard & Poor’s Global Industry Classification Standard (“GICS”) Sub-Industry as Price Group, such company shall no longer be a Peer Company.

(ii) In the event of a merger, acquisition or business combination transaction of a Peer Company with or by another Peer Company, the surviving entity shall remain a Peer Company, provided that the surviving entity is still in the same GICS Sub-Industry as Price Group.

(iii) In the event of a merger of a Peer Company with or by an entity that is not a Peer Company, or the acquisition or business combination transaction of a Peer Company with an entity that is not a Peer Company, in each case, where the Peer Company is the surviving entity, the surviving entity shall remain a Peer Company, provided that the surviving entity is still in the same GICS Sub-Industry as Price Group.

(iv) In the event of a merger or acquisition or business combination transaction of a Peer Company with or by an entity that is not a Peer Company, other form of “going private” transaction relating to any Peer Company or the liquidation of any Peer Company, where such Peer Company is not the surviving entity or is otherwise no longer publicly traded, the company shall no longer be a Peer Company.

(v) In the event of a bankruptcy of a Peer Company, such company shall remain a Peer Company.

(p) “**Performance Threshold**” means the performance objective(s) set forth on the Notice, if any, which must be satisfied in order for any Stock Units to become vested, except as otherwise provided in this Agreement.

(q) “**Plan**” means the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan.

(r) “**Price Group**” means T. Rowe Price Group, Inc.

(s) “**Qualified Performance-Based Award**” means a grant that is intended by the Executive Compensation Committee to qualify for the exemption from the limitation on deductibility imposed by Section 162(m)(4)(C) of the Code.

(t) “**Service**” means your employment with the Company. Your Service will be considered to have ceased with the 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 its successor or an Affiliate of T. Rowe Price Group, Inc. or its successor.

(u) “**Stock Unit**” means a bookkeeping entry used by the Company to record and account for the grant of a restricted stock unit until such time as such restricted stock unit is settled, forfeited or terminated, as the case may be. Each Stock Unit represents a contractual obligation of the Company to deliver one share of Common Stock to the holder upon vesting of the Stock Unit.

(v) “**Termination of Service**” means the termination of your employment with the Company. Temporary absences from employment because of illness, vacation or leave of absence and transfers among entities which comprise the Company, including all Affiliates, shall not be considered Terminations of Service; provided, however, that the Committee has discretion to determine that a Termination of Service has occurred if, for six continuous months, you are absent or otherwise unable for any reason to perform substantially all the essential duties of your position, as determined by the Committee. The Committee has discretion to determine the date upon which you incur a Termination of Service.

(w) “**Terms**” mean this Statement of Additional Terms Regarding Awards of Restricted Stock Units.

(x) “**Total and Permanent Disability**” means that you are (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until your death or result in death, or (ii) determined to be totally disabled by the Social Security Administration or other governmental or quasi-governmental body that administers a comparable social insurance program outside of the United States in which you participate and which conditions the right to receive benefits under such program on your being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last until your death or result in death. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of your condition.

(y) “**You**”; “**Your**”. You means the recipient of the 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 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}

**Notice of Grant of
Stock Option Award**

T. Rowe Price Group, Inc.

ID: 52-2264646

100 E. Pratt Street

Baltimore, MD 21202 USA

**JOE ASSOCIATE
100 EAST PRATT STREET
BALTIMORE, MD 21202 USA**

**Award Number: 000000000004216
ID: 1234
Plan: 2012 Long-Term Incentive Plan**

On _____, 2012 (the Grant Date), T. Rowe Price Group, Inc. (Price Group) granted you an award of stock options (the Options) under Price Group's 2012 Long-Term Incentive Plan to purchase from Price Group _____ shares of Price Group common stock at \$ _____ per share, the closing price of Price Group common stock on the Grant Date. The Options are [nonqualified stock options which do not qualify as incentive stock options for purposes of U.S. federal tax law.] [intended to be incentive stock options to the fullest extent permitted by U.S. federal tax law.] The Options become exercisable as shown below, subject to the provisions of the Statement of Additional Terms Regarding Awards of Stock Options [(version 2A)] [(version 2B)] (the Statement of Additional Terms) which sets forth the terms and conditions of this grant. The Options, if not sooner exercised, forfeited or otherwise terminated, expire on _____, 2022 (the Expiration Date).

Vesting Schedule:

Except as otherwise provided in the Statement of Additional Terms, so long as your employment with Price Group and/or its affiliates is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the Options will become vested and exercisable for shares of Price Group common stock in installments on the vesting dates set forth in the vesting schedule below.

# of Options	Vesting Date
	12/ /2013
	12/ /2014
	12/ /2015
	12/ /2016
	12/ /2017

The Statement of Additional Terms describes additional circumstances under which the Options may become vested and exercisable.

Your participation in our stock-based compensation program recognizes that you play a key role in the long-term success of Price Group and affords you the opportunity to participate alongside our other stockholders in that success.

CEO & President

Date

To accept this grant you must, **on or after** _____, access the T. Rowe Price Exchange Web site and select myTRP >Compensation, Payroll & Stock>Employee Stock Transactions - TRPG Stock>Equity Awards>Equity Award Information (Express Desktop) or go to <https://home2.troweprice.com/tssso/tssoweb/SSOServlet>. After signing in using your T. Rowe Price network logon and password, you will be in Express Desktop. Click on Grant History under the type of award you received and accept the appropriate award(s) by selecting the Pending link in the Status column. **You must accept this grant by no later than** _____.

By accepting the grant online, you acknowledge that you have been provided, have read and agree to be bound by the terms of the Statement of Additional Terms under which this grant has been made and the prospectus for the 2012 Long-Term Incentive Plan, both of which are available on the Express Desktop. You also consent to the electronic delivery, via email, posting on Price Group's Web site, Express Desktop or the Web site of any third party vendor that provides stock plan administrative services to Price Group, of this Notice, the Statement of Additional Terms and all future notices or other information with respect to this grant, the 2012 Long-Term Incentive Plan, and the common shares of Price Group. 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

STATEMENT OF ADDITIONAL TERMS
REGARDING AWARDS OF STOCK OPTIONS

(version 2A)

This Statement of Additional Terms Regarding Awards of Stock Options (the “*Terms*”) and all of the provisions of the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan (the “*Plan*”) are incorporated into your stock option award, the specifics of which are described on the “Notice of Grant of Stock Option Award” (the “*Notice*”) that you received. Once you have accepted the Notice in accordance with the instructions set forth thereon, the Terms, the Plan and the Notice, together, constitute a binding and enforceable contract respecting your stock option award. That contract is referred to in this document as the “*Agreement*.”

1. Terminology. Capitalized words and phrases used in these Terms are defined in the Glossary at the end of this document or the first place such word or phrase appears in this document.

2. Vesting.

(a) Vested Status upon Grant Date. All of the Options are nonvested and forfeitable as of the Grant Date. For clarity, as used in this Agreement, the term “vest” means that the Options become exercisable for the purchase of Common Stock. The fact that an Option has become vested does not mean or otherwise indicate that you have an unconditional or nonforfeitable right to such Option. A vested Option remains subject to the terms, conditions and forfeiture provisions provided for in the Plan and in this Agreement.

(b) Vesting Schedule. So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the Options will vest and become exercisable on the vesting dates as set forth in the correlating Notice.

(c) Post-employment Vesting Continuation.

(i) If, as of the date on which your Termination of Service occurs, you have attained age 60 and have at least ten years of Service credit with the Company (as determined by the Committee), including Service with any successor to the Company, then, except as otherwise provided in this Agreement, the then-unvested Options that have not been previously forfeited and which are scheduled to vest within the 36-month period immediately following your Termination of Service will vest and become exercisable on their scheduled vesting dates set forth in the correlating Notice notwithstanding the fact that your Service has terminated.

(ii) Notwithstanding the provisions of Section 2(c)(i) to the contrary, unless the Committee determines otherwise, your unvested Options will be immediately forfeited for no consideration, no further vesting will accrue and no shares of Common Stock will be delivered in respect thereof, if you breach any of the restrictive covenants set forth in Section 6.

(d) Vesting upon Death or Disability. All of the Options that have not already vested or been previously forfeited will vest and become exercisable upon your death or Termination of Service due to your Total and Permanent Disability.

(e) Double-trigger Vesting. If, coincident with or during the 18-month period following the effective date of a Change in Control, your Service is terminated either (i) by the Company or a successor to the Company other than for Cause, Total and Permanent Disability or death or (ii) by you for Good Reason, then all of the Options that have not already vested or been previously forfeited or terminated in connection with the Change in Control will vest and become exercisable upon such Termination of Service.

3. Exercise of Options.

(a) Exercisability. None of the Options are exercisable as of the Grant Date. The Options will become exercisable in installments in accordance with the Vesting Schedule set forth in the correlating Notice, so long as you are in the continuous Service of the Company from the Grant Date through the applicable vesting dates or as otherwise provided in Section 2 above.

(b) Option Exercise Rights.

(i) You may exercise the Options, to the extent they have become exercisable, on any business day on or before the Expiration Date or the earlier termination of the Options, unless otherwise provided under applicable law. For this purpose, a business day is any day, other than a weekend or U.S. federal holiday, on which Price Group's principal executive offices (in Baltimore, Maryland — Pratt Street) are open for business. You are not required to exercise your Options when they vest. Vested Options will accumulate and be exercisable by you, in whole or in part, at any time before the Options expire or are otherwise forfeited or terminated.

(ii) Notwithstanding the foregoing, if at any time the Committee determines that the delivery of Common Stock under the Plan or this Agreement is or may be unlawful under the laws of any applicable jurisdiction, or federal, state or foreign (non-United States) securities laws, your right to exercise the Options or receive Common Stock pursuant to the Options will be suspended until the Committee determines that such delivery is lawful. Likewise, if at any time the Committee determines that the delivery of Common Stock under the Plan or this Agreement is or may violate the rules of the national securities exchange on which the Common Stock is then listed for trade, your right to exercise the Options or receive Common Stock pursuant to the Options will be suspended until the Committee determines that such exercise or delivery would not violate such rules. Any suspension of your right to exercise the Options under this paragraph will not extend the Expiration Date of the Options and your Options could expire unexercisable during such a suspension.

(iii) Section 4 below describes certain limitations on exercise of the Options that apply in the event of your death, Total and Permanent Disability, or Termination of Service which limitations could terminate your right to exercise the Options earlier than the Expiration Date.

(iv) You may exercise the Options only in multiples of whole shares. No fractional shares of Common Stock will be issued under the Options.

(c) Exercise Procedure. In order to initiate an exercise of your Options, you must deliver the following items to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department in the Baltimore, Maryland – Pratt Street office:

(i) an exercise notice, in such manner and form (including, without limitation, electronic on-line format) as the Committee may require from time to time, that specifies the number of shares of Common Stock you then desire to purchase under the Options and your method of payment of the aggregate purchase price; and

(ii) full payment of the aggregate purchase price for the shares specified in the exercise notice or properly executed, irrevocable instructions, in such manner and form as the Committee may require from time to time, to effectuate a broker-assisted cashless exercise, each in accordance with Section 3(e) of this Agreement.

(d) Date Exercise becomes Effective.

(i) Your exercise will become effective (the "**Exercise Date**") as follows, provided that such exercise otherwise is permitted under and complies with all applicable laws:

(A) on the date on which both the exercise notice and payment of the aggregate purchase price is received by the Company's Payroll and Stock Transaction Group, if such items are received by 5:00 p.m. U.S. Eastern Time on a business day;

(B) on the first business day after the date on which both the exercise notice and payment of the aggregate purchase price is received by the Company's Payroll and Stock Transaction Group, if such items are received after 5:00 p.m. U.S. Eastern Time or are received on a day that is not a business day; or

(C) on the date on which the sale of shares is executed via a broker-assisted cashless exercise, as confirmed by the brokerage firm, if the exercise notice is accompanied by instructions to effectuate a broker-assisted cashless exercise.

(ii) You are responsible for ensuring that your exercise notice and payment of the aggregate purchase price or instructions to effectuate a broker-assisted cashless exercise are received by the Company's Payroll and Stock Transaction Group with sufficient time to enable the Exercise Date to occur in accordance with the foregoing rules before the Options expire, are forfeited or otherwise terminated. Because The Nasdaq Stock Market closes at 4:00 p.m. U.S. Eastern Time, any broker-assisted cashless exercise instruction received by the Company's Payroll and Stock Transaction Group after 4:00 p.m. U.S. Eastern Time cannot be processed until the next business day on which The Nasdaq Stock Market is open for trading. If your broker-assisted

cashless exercise instruction results in the sale of shares over a number of days, each day on which a sale occurs will constitute the Exercise Date of the Option with respect to the shares sold on such day.

(e) Method of Payment.

(i) You may pay the aggregate purchase price for the shares specified in the exercise notice by:

(A) delivering cash, wire or fund transfer, check, bank draft, postal or express money order payable to the order of the Company, or other cash equivalent acceptable to the Committee in its discretion, in each such case in currency acceptable to the Committee;

(B) executing a broker-assisted cashless exercise in accordance with Regulation T of the Board of Governors of the Federal Reserve System through a brokerage firm designated or approved by the Committee, under which the broker is irrevocably instructed to deliver to the Company on your behalf an amount, in cash or acceptable cash equivalents, sufficient to pay the aggregate purchase price for the shares of Common Stock you then desire to purchase under the Options (plus applicable Withholding Taxes, if any), and the Company is instructed to deliver the shares to the broker upon receipt of such amount;

(C) unless limited by the Committee, tendering to the Company (via attestation in a form satisfactory to the Committee) other shares of Common Stock owned by you, in which case the Company will attribute to the tendered shares a value equal to the official closing price per share of Common Stock for the regular market session of The Nasdaq Stock Market (or the principal market for the Common Stock as determined by the Committee if the Common Stock is not listed for trade on The Nasdaq Stock Market or is listed or admitted to trading on more than one exchange or market) on the Exercise Date or, if no sale is reported for that date, on the last preceding day on which a sale was reported, all as reported by such source as the Committee may select;

(D) unless limited by the Committee, electing net share settlement with respect to any portions of the Options that do not qualify as incentive stock options within the meaning of Section 422 of the Code;

(E) any other method approved by the Committee with respect to Options that do not qualify as incentive stock options within the meaning of Section 422 of the Code; or

(F) any combination of the foregoing.

(ii) The Committee in its discretion may place limitations on the extent, if any, to which you may pay the aggregate purchase price by tendering shares of Common Stock or electing net share settlement, and in no event may you pay the purchase price through either of those two methods if you are a resident of Canada. If the shares of Common Stock tendered or withheld are insufficient in value to pay the aggregate purchase price, you must deliver the net unpaid amount to the Company's

Payroll and Stock Transaction Group on the Exercise Date in cash or in one of the specified forms of acceptable cash equivalents; provided, however, that if the net unpaid amount is less than the value of one share of Common Stock, the Company may allow you to pay such amount by having it withheld from your next paycheck.

(f) Tax Withholding. By accepting the Options, you agree to make adequate provision for foreign (non-United States), federal, state and local taxes and social insurance contributions (collectively, "**Withholding Taxes**") required by law to be withheld, if any, which arise in connection with the Options. The Company shall have the right to deduct from any compensation or any other payment of any kind due you (including withholding the issuance or delivery of shares of Common Stock under the Options) the amount of any Withholding Taxes required by law to be withheld as a result of the grant, vesting or exercise of the Options, in whole or in part, or as otherwise may be required by applicable law; provided, however, that the value of the shares of Common Stock withheld may not exceed, by more than a fractional share, 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 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. The Company may, in its sole discretion, permit or require you to satisfy, in whole or in part, any Withholding Tax obligation which may arise in connection with the Options either by having the Company withhold from the shares to be issued upon exercise that number of shares, or by delivering 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.

(g) Issuance of Shares upon Exercise. The Company will issue to you the shares of Common Stock underlying the Options you exercise as soon as practicable after the exercise date, subject to the Company's receipt of the aggregate purchase price and the requisite Withholding Taxes, if any. 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 Options in uncertificated book entry form. Any share certificates delivered will, unless the shares of Common Stock are registered or an exemption from registration is available under applicable federal and state law, bear a legend restricting transferability of such shares of Common Stock. If you purchase shares of Common Stock under Options that qualify as incentive stock options within the meaning of Section 422 of the Code, the Company may take reasonable measures, which you agree to abide by when accepting the correlating Notice, to track the ownership of such shares until the date on which a sale or disposition of the shares by you would no longer constitute a disqualifying disposition within the meaning of Section 422 of the Code.

4. Forfeiture of Unvested Options upon Termination of Service.

(a) Termination before Attaining Age 60 with 10 Years of Service. If your Service ceases for any reason before you have attained age 60 and have at least ten years of Service credit with the Company (as determined by the Committee), including Service with any successor to the Company, all Options that are not then vested or eligible for future vesting, after giving effect to the applicable provisions of Section 2 above, will be immediately forfeited upon such cessation for no consideration.

(b) Termination after Attaining Age 60 with 10 Years of Service. If, as of the date on which your Termination of Service occurs, you have attained age 60 and have at least ten years of Service credit with the Company (as determined by the Committee), including Service with any successor to the Company, then Options that are not then vested, after giving effect to the applicable provisions of Section 2 above, and which are scheduled to vest on vesting dates set forth in the correlating Notice that fall beyond the 36-month period immediately following your Termination of Service, will be immediately forfeited upon such cessation for no consideration and Section 2(c) will apply to the then-unvested Options which are scheduled to vest within the 36-month period immediately following your Termination of Service.

5. Exercise Periods upon Termination of Service. The period during which you may exercise Options after your Service with the Company terminates is dependent upon your attained age and cumulative years of Service credit with the Company, including Service with any successor to the Company, as of the date on which your Service terminates, as follows:

(a) Termination before Attaining Age 55 with 10 Years of Service. If, as of the date of your Termination of Service, you have not attained age 55 or do not have at least ten years of Service credit with the Company (as determined by the Committee), including Service with any successor to the Company, your vested Options will terminate 90 days after the date on which your Service terminates, but in no event later than the Expiration Date.

(b) Termination after Attaining Age 55 with 10 Years of Service. If, as of the date of your Termination of Service, you have attained age 55, but not yet attained age 58, and you have at least ten years of Service credit with the Company (as determined by the Committee), including Service with any successor to the Company, your vested Options will terminate 13 months after the date on which your Service terminates, but in no event later than the Expiration Date.

(c) Termination after Attaining Age 58 with 10 Years of Service. If, as of the date of your Termination of Service, you have attained age 58, but not yet attained age 60, and have at least ten years of Service credit with the Company (as determined by the Committee), including Service with any successor to the Company, your vested Options will terminate 36 months after the date on which your Service terminates, but in no event later than the Expiration Date.

(d) Termination after Attaining Age 60 with 10 Years of Service. If, as of the date of your Termination of Service, you have attained age 60 and you have at least ten years of Service credit with the Company (as determined by the Committee), including Service with any successor to the Company, your vested Options determined as of the date of your Termination of Service will terminate 36 months after the date on which your Service terminates, but in no event later than the Expiration Date. Furthermore, any Options which become vested pursuant to Section 2(c) above within the 36-month period following the date on which your Service terminates will terminate 39 months after the date on which your Service terminates (i.e., the standard 36-month period plus three additional months), but in no event later than the Expiration Date.

(e) Disability. If your Termination of Service is due to your Total and Permanent Disability, your vested Options will terminate (i) 13 months after the date on which your Service terminates or, if later, (ii) upon the date specified in Section 5(c) or 5(d), whichever subsection is applicable (if any) based on your attained age and Service credit when your Termination of Service occurs, but in no event later than the Expiration Date.

(f) Death. If your death occurs prior to your Termination of Service or during any of the periods described in Sections 5(a), 5(b), 5(c), 5(d) or 5(e) above during which your vested Options remained exercisable by you, then your estate, personal representative or any beneficiary, heir or legatee to whom the Options have been transferred will be permitted to exercise such vested Options during the (i) 13-month period immediately following your date of death or, if longer, (ii) through the date specified in Section 5(c), 5(d), or 5(e), whichever subsection is applicable (if any) based on your attained age and Service credit when your Termination of Service occurred, but in no event later than the Expiration Date. To the extent unexercised, the vested Options will terminate upon the expiration of the applicable period specified in the immediately preceding sentence. Any person seeking to exercise your Options following your death must provide to the Company appropriate documentation as may be requested by the Committee to establish your death and such person's right to exercise the Options.

(g) Extraordinary Corporate Events. Each of the periods in which vested Options may be exercised following your Termination of Service described in this Section 5 is subject to being superseded by the provisions of the Plan with respect to a Change in Control, merger, consolidation, stock rights offering, liquidation or dissolution, statutory share exchange or similar event affecting Price Group.

6. Restrictive Covenants.

(a) Termination of Vesting/No Extension of Exercise Period. Notwithstanding anything in Section 2 or Section 5 to the contrary, unless the Committee determines otherwise, upon the occurrence of any Prohibited Action set forth in Section 6(b), the following shall occur with respect to your Options: (i) no further Options will become vested and any then-unvested Options will terminate immediately, and (ii) all Options that were vested as of the date on which your Termination of Service occurred and any Options which became vested pursuant to Section 2(c) after your Termination of Service occurred shall terminate 90 days after the date on which your Termination of Service occurred or on the date on which the Prohibited Action occurred if later, but in no event later than the Expiration Date. For clarity, unless the Committee determines otherwise, the Options described in clause (ii) of the immediately preceding sentence will terminate immediately if a Prohibited Action occurs later than the 90th day after the date on which your Termination of Service occurred.

(b) Prohibited Actions. The following actions are considered **Prohibited Actions** and subject to the consequences set forth in Section 6(a) above, whether engaged in by you directly or indirectly, either as an employee, employer, consultant, or in any other capacity:

(i) engaging in any Competing Business. "**Competing Business**" shall be defined as the business of investment advisory services to individual and/or institutional investors, retirement plan services, discount brokerage, trust services, and any other business which is competitive with the business activities of the Company;

(ii) soliciting, encouraging, or inducing any customers or clients of the Company who were current or prospective customers or clients as of the date on which

your Termination of Service occurred, to terminate or reduce his, her or its relationship with the Company or not to proceed with, or enter into, any business relationship with the Company, or otherwise interfering with any such business relationship with the Company, including by encouraging or suggesting any investment management client of the Company (A) to withdraw any funds for which the Company provides investment management or advisory services, or (B) not to engage the Company to provide investment management or advisory services for any funds;

(iii) (A) soliciting, encouraging, or inducing any officer, director, employee, agent, partner, consultant or independent contractor of the Company to terminate, modify or reduce his or her relationship with the Company, (B) hiring, employing, supervising, managing or engaging any such individual, or (C) otherwise attempting to disrupt or interfere with the Company's relationship with any such individual;

(iv) using, reproducing, or disclosing any Confidential Information of the Company. "**Confidential Information**" shall be defined as client and customer lists, information with respect to the name, address, contact persons or requirements of any customer or client, other information relating to clients and prospective clients from whom the Company has solicited business or plans to solicit business, information relating to business plans and business that is conducted or anticipated to be conducted, research, technology, computer software, processes, products, pricing, costs, business methods, business objectives or strategies, marketing plans and finances;

(v) pleading guilty or *nolo contendere* (or a similar plea) to, or being convicted of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Company, as determined by the Committee in its sole discretion, or that legally prohibits you from working for the Company;

(vi) breaching a regulatory rule that adversely affects your ability to perform your employment duties to the Company in any material respect; and

(vii) failing, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of the Company, (C) follow reasonable directions received from the Company or (D) comply with covenants contained in any contract with the Company to which you are a party.

(c) Blue Pencil. If any of the provisions or terms of this Section 6 is construed by a court of competent jurisdiction to be invalid or unenforceable, it shall not affect the remainder of this Agreement, which shall be given full force and effect without regard to the invalid provision. Any invalid or unenforceable provision shall be reformed to the maximum time, geographic and/or customer limitations permitted by the applicable laws, so as to be valid and enforceable.

(d) Notification To Company. For as long as you have vested Options that have not been exercised, you covenant and agree that you will disclose to the Company the identity of any new employer within two business days of being employed or engaged by such new employer, and at the time that you seek to exercise any Options you will provide to the Company information sufficient to confirm that you have not engaged in any Prohibited Actions.

7. Nontransferability of Options. These Options are nontransferable otherwise than by last will and testament or the laws of descent and distribution and, during your lifetime, the Options may be exercised only by you or, during the period you are under a legal disability, by your guardian or legal representative, provided, however, that with the advance consent of the Committee, vested Options that are not incentive stock options within the meaning of Section 422 of the Code may be transferred to one or more of your family members or a trust, partnership or the like for the benefit of you and/or one or more of your family members. Except as provided above, the Options and, before exercise, the shares of Common Stock subject to purchase thereunder, may not be assigned, transferred, pledged, hypothecated, subjected to any "put equivalent position," "call equivalent position" (as each preceding term is defined by Rule 16(a)-1 under the Securities Exchange Act of 1934), or short position, or disposed of in any way (whether voluntarily or involuntarily, by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

8. Status for U.S. Federal Tax Purposes.

(a) Nonqualified Options. If the correlating Notice provides that the Options are not intended to qualify as incentive stock options within the meaning of Section 422 of the Code, this Agreement shall be so construed. In such case, by accepting the Options you acknowledge that, if you are a U.S. taxpayer for federal tax purposes, then upon exercise of the Options, you will recognize ordinary income in an amount equal to the excess, if any, of the Fair Market Value, as measured on the exercise date, of the shares of Common Stock purchased over the aggregate purchase price paid. If you are a taxpayer in any other jurisdiction, the taxation of your Options may be different. You must comply with the provisions of Section 3(e) of this Agreement with respect to any Withholding Tax obligations that arise as a result of such exercise.

(b) Incentive Stock Options. If the correlating Notice provides that the Options are intended to qualify as incentive stock options within the meaning of Section 422 of the Code, this Agreement shall be so construed to the fullest extent permitted by Section 422 of the Code, including the application of the limit provided by Section 422(d) of the Code. The Company, however, does not warrant any particular tax consequences of the Options. Section 422 of the Code provides limitations and other requirements, not set forth in this Agreement, respecting the treatment of the Options as incentive stock options. You should consult with your personal tax advisors in this regard. The quantity limitation and employment requirement pertaining to incentive stock options are outlined below.

(i) Quantity Limitation. Pursuant to Section 422(d) of the Code, the aggregate fair market value (determined as of the Grant Date) of shares of Common 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, within the meaning of Section 424(e) and 424(f) of the Code, 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 Section 422 of the Code. To the extent that such aggregate fair market value exceeds \$100,000 or such other applicable amount in any calendar year, such stock options will be treated as nonqualified stock options with respect to the amount of aggregate fair market value thereof that exceeds the Code

Section 422(d) limit. For this purpose, the incentive stock options will be taken into account in the order in which they were granted. The Company may designate the shares of Common Stock that are to be treated as stock acquired pursuant to the exercise of incentive stock options and the shares of Common Stock that are to be treated as stock acquired pursuant to nonqualified stock options 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.

(ii) Employment Requirement. Except with respect to exercise after your death or Termination of Service due to Total and Permanent Disability, at all times during the period beginning with the Grant Date of an incentive stock option and ending on the day three months before the date of exercise, you must be an employee of Price Group or a subsidiary, as that term is defined in Section 424(f) of the Code, in order for the Option to be treated as an incentive stock option for U.S. federal tax purposes. Therefore, any part of the Options designated as intended to be incentive stock options which is not exercised either during your Service with Price Group or a subsidiary or within three months after your Termination of Service with Price Group or a subsidiary will not be treated as an incentive stock option for U.S. federal tax purposes when exercised. Similarly, if the entity with which you are employed ceases to be a subsidiary of Price Group, as that term is defined in Section 424(f) of the Code, then the Options will be treated as nonqualified stock options unless exercised within three months of such cessation.

9. Adjustments for Corporate Transactions and Other Events.

(a) Mandatory Adjustments. In the event of a merger, consolidation, stock rights offering, liquidation, statutory share exchange or similar event affecting Price Group (each, a “**Corporate Event**”) or a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extraordinary dividend of cash or other property, share combination or subdivision, or recapitalization or similar event affecting the capital structure of Price Group (each, a “**Share Change**”), the Committee shall make equitable and appropriate substitutions or proportionate adjustments to the number of outstanding Options, the purchase price per share, and the number of Options eligible to vest on each subsequent vesting date under the vesting schedule set forth on the Notice to reflect such event; provided, however, that any fractional Options resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Committee, whose determination as to what adjustments will be made and the extent thereof will be final, binding and conclusive.

(b) Discretionary Adjustments. In the case of Corporate Events, the Committee may make such other adjustments to outstanding Options as it determines to be appropriate and desirable, which adjustments may include, without limitation, (i) the cancellation of outstanding Options in exchange for payments of cash, securities or other property or a combination thereof having an aggregate value equal to the value of such Options, as determined by the Committee in its sole discretion (it being understood that in the case of a Corporate Event with respect to which stockholders of Price Group receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an Option shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event over the purchase price per share of such Option shall conclusively be

deemed valid and that any Option may be cancelled for no consideration upon a Corporate Event if its purchase price per share does not exceed the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event), (ii) the substitution of securities or other property (including, without limitation, cash or other securities of Price Group and securities of entities other than Price Group) for the shares of Common Stock subject to outstanding Options, and (iii) the substitution of equivalent awards, as determined in the sole discretion of the Committee, of the surviving or successor entity or a parent thereof. Notwithstanding the foregoing, any adjustments made pursuant to Options that are incentive stock options within the meaning of Section 422 of the Code shall be made in compliance with the requirements of Section 424(a) of the Code.

(c) Dissolution or Liquidation. Unless the Committee determines otherwise, all of the Options shall terminate upon the dissolution or liquidation of Price Group.

(d) Change in Control. Notwithstanding anything in this Agreement or the Plan to the contrary, in the event that a Change in Control occurs, outstanding Options will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Options by, or for the substitution of equivalent options, as determined in the sole discretion of the Committee, of the surviving or successor entity or a parent thereof. In the event of such termination, (i) the outstanding Options that will terminate upon the effective time of the Change in Control shall, immediately before the effective time of the Change in Control, become fully exercisable, (ii) you will be permitted, immediately before the Change in Control, to exercise the Options, and (iii) the Committee may take any of the actions set forth in Section 9(a) and 9(b) with respect to any or all of the Options. Implementation of the provisions of the immediately foregoing sentence shall be conditioned upon consummation of the Change in Control.

10. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your 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 Options or any other adverse effect on your interests under the Plan.

11. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to the shares of Common Stock subject to purchase under the Options until such shares have been issued to you upon the due exercise of the Options. 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. The Company's Rights. The existence of the Options will not affect in any way the right or power of Price Group 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 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.

13. 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.

14. Electronic Delivery of Documents.

(a) Methods of Delivery. The Company may from time to time electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the Options, 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

(b) Consent and Acknowledgment. By your accepting the Notice correlating to these Terms, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Options and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

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, as amended from time to time or any successor thereto (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your Options if you on the Grant Date are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

16. Entire Agreement. This Agreement, together with the correlating Notice and the Plan, contain the entire agreement between you and the Company with respect to the Options awarded hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the acceptance of the Notice correlating to these Terms with respect to the Options awarded hereunder shall be void and ineffective for all purposes.

17. Amendment. Except as otherwise provided in the Plan, the Committee may unilaterally amend the terms of this Agreement, but no such amendment shall materially impair your rights with respect to your Options without your consent, except such an amendment made to cause the Plan or the Agreement to comply with applicable law, applicable rule of any securities exchange on which the Common Stock is listed or admitted for trading, or to prevent adverse tax or accounting consequences for you or the Company or any of its Affiliates. 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.

18. Conformity with Plan. These Terms are intended to conform with, and are subject to all applicable provisions 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://home2.troweprice.com/tssso/tssoweb/SSOServlet> or in hard copy upon request to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

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. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Baltimore, Maryland or any state court in the district which includes Baltimore, Maryland. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

20. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Committee in good faith 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. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Committee. You further agree that in the event that the Committee does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than 24 months after the Committee's decision.

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 Options awarded hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. This Agreement and the Options shall be administered, interpreted and construed in a manner consistent with this intent. Nothing in the Plan or this Agreement shall be construed as including any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Options. Should any provision of this Agreement or the Options be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, it may 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 or warranty by the Company of any particular tax effect of the Options.

23. **Service and Employment Acknowledgments.** By accepting the Notice, you acknowledge and agree that: (i) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan or this Agreement; (ii) you are voluntarily participating in the Plan; (iii) the award of Options is a one-time benefit which does not create any contractual or other right to receive future awards of Options, or compensation or benefits in lieu of Options, even if Options have been awarded repeatedly in the past; (iv) all determinations with respect to any such future awards, including, but not limited to, the times when Options shall be awarded or shall become vested or exercisable and the number of Options subject to each award, will be at the sole discretion of the Committee; (v) the value of the Options is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (vi) the value of the Options 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, welfare or retirement benefits; (vii) the vesting of the Options 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 in this Agreement; (viii) the value of the Options and the underlying Shares cannot be predicted with certainty and will change over time and the Company does not guarantee any future value; (ix) if you are not an employee of the Company, the Options grant will not be interpreted to form an employment contract or relationship with the Company; nothing in this Agreement shall confer upon you any right to continue in the service of the Company or interfere in any way with any right of the Company to terminate your service as a director, an employee or consultant, as the case may be, at any time, subject to applicable law; the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the Shares underlying the Options; and (x) no claim or entitlement to compensation or damages arises if the value of the Options or the underlying Shares decreases and in consideration for the grant of the Options you irrevocably release the Company from any claim or entitlement to compensation or damages that does arise in connection with the Options.

24. **Data Privacy Consent.** *For purposes of the implementation, administration and management of the Options and the Plan or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "Corporate Transaction"), you explicitly and unambiguously consent, by accepting the Notice, 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 or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social insurance number, tax identification number, date of birth, nationality, job title or duties, salary and payroll location, data for tax withholding purposes and Options awarded, cancelled, vested and unvested) is held by the Company and may be transferred to any broker designated by the Committee or*

third parties assisting in the implementation, administration and management of the Options or the Plan or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data, in electronic or other form, by the recipient(s) for these purposes. 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 personal data will be held only as long as is necessary to implement, administer and manage the Options or Plan or effect a Corporate Transaction. You understand that, to the extent required by applicable law, 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 in the Baltimore, Maryland – Pratt Street office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an award of Options or otherwise participate in the Plan.

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 previously, now or hereafter existing, in which the Company, directly or indirectly, at the relevant time 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) “**Cause**” means: (i) your plea of guilty or *nolo contendere* (or a similar plea) to, or conviction of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Company, as determined by the Committee in its sole discretion, or that legally prohibits you from working for the Company; (ii) your breach of a regulatory rule that adversely affects your ability to perform your employment duties to the Company in any material respect; or (iii) your failure, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of the Company, (C) follow reasonable directions received from the Company or (D) comply with covenants contained in any contract with the Company to which you are a party; provided, however, that you shall be provided a written notice describing in reasonable detail the facts which are considered to give rise to a breach described in this clause (iii) and you shall have 30 days following receipt of such written notice during which you may remedy the condition and, if so remedied, no Cause for Termination of Service shall exist.

(d) “**Change in Control**” has the meaning ascribed to such term in the Plan.

(e) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor section, regulations and guidance.

(f) “**Committee**” means the Executive Compensation Committee, or such other committee(s) or officer(s) duly appointed by the Board or the Executive Compensation Committee to administer the Plan or delegated limited authority to perform administrative actions under the Plan, and having such powers as shall be specified by the Board or the Executive Compensation Committee; provided, however, that at any time the Board may serve as the Committee in lieu of or in addition to the Executive Compensation Committee or such other committee(s) or officer(s) to whom administrative authority has been delegated.

(g) “**Common Stock**” means shares of common stock of T. Rowe Price Group, Inc., par value twenty cents (\$0.20) per share and any capital securities into which they are converted.

(h) “**Company**” means T. Rowe Price Group, Inc. and its Affiliates and successors, 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.

(i) “**Corporate Transaction**” means the consummation of a reorganization, merger, tender offer, share exchange, consolidation or other business combination, acquisition of Price Group equity securities, or sale or other disposition of all or substantially all of the assets of Price Group or the acquisition of assets of another entity.

(j) “**Executive Compensation Committee**” means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc.

(k) “**Expiration Date**” means the date set forth on the Notice indicating when the Options expire if not sooner exercised, forfeited or otherwise terminated.

(l) “**Fair Market Value**” means, as of any date, unless otherwise determined by the Committee, the official closing price per share of Common Stock for the regular market session on that date on the principal exchange or market on which the Common Stock is then listed or admitted to trading or, if no sale is reported for that date, on the last preceding day on which a sale was reported, all as reported by such source as the Committee may select.

(m) “**Good Reason**” means, during the 18-month period following a Change in Control, actions taken by the Company or any successor corporation or other entity in a Corporate Transaction resulting in a material negative change in your employment relationship in one or more of the following ways:

(i) the assignment to you of duties materially inconsistent with your position (including offices, titles and reporting requirements), authority, duties or responsibilities, or a material diminution in such position, authority, duties or responsibilities, in each case from those in effect immediately prior to the Change in Control;

(ii) a material reduction of your aggregate annual compensation, including, without limitation, base salary and annual bonus and incentive compensation opportunity, from that in effect immediately prior to the Change in Control; or

(iii) a change in your principal place of employment that increases your commute by 75 or more miles as compared to your commute immediately prior to the Change in Control.

In order to invoke a Termination of Service for Good Reason, you must provide written notice to the Company or any successor corporation or other entity in a Corporate Transaction with respect to which you are employed or providing services (as applicable, the “**Service Recipient**”) of the existence of one or more of the conditions constituting Good Reason within 90 days following your knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason, and the Service Recipient shall have 30 days following receipt of such written notice (the “**Cure Period**”) during which it may remedy the condition. In the event that the Service Recipient fails to remedy the condition constituting Good Reason during the applicable Cure Period, your Termination of Service must occur, if at all, within 90 days following the expiration of such Cure Period in order for such termination as a result of such condition to constitute a Termination of Service for Good Reason.

(n) “**Grant Date**” means the date set forth on the Notice indicating when the grant of Options was approved by the Committee.

(o) “**Notice**” means the Notice of Grant of Stock Option Award which correlates with these Terms and sets forth the specifics of the applicable award of Options.

(p) “**Option**” means a right to purchase a specified number of shares of Common Stock from Price Group at a specified price during a specified period of time after the right becomes exercisable. Each Option represents a contractual obligation of the Company to deliver one share of Common Stock to the option holder upon due exercise of the Option.

(q) “**Plan**” means the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan.

(r) “**Price Group**” means T. Rowe Price Group, Inc.

(s) “**Service**” means your employment with the Company, inclusive of any period of credited service that may be allocated to you by the Company in writing for periods during which you were not employed with the Company. Your Service will be considered to have ceased with the 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 its successor or an Affiliate of T. Rowe Price Group, Inc. or its successor.

(t) “**Termination of Service**” means the termination of your employment with the Company. Temporary absences from employment because of illness, vacation or leave of absence and transfers among entities which comprise the Company, including all Affiliates, shall not be considered Terminations of Service; provided, however, that the Committee has discretion to determine that a Termination of Service has occurred if, for six continuous months, you are absent or otherwise unable for any reason to perform substantially all the essential duties of your position, as determined by the Committee. The Committee has discretion to determine the date upon which you incur a Termination of Service.

(u) “**Terms**” mean this Statement of Additional Terms Regarding Awards of Stock Options.

(v) “**Total and Permanent Disability**” means that you are (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until your death or result in death, or (ii) determined to be totally disabled by the Social Security Administration or other governmental or quasi-governmental body that administers a comparable social insurance program outside of the United States in which you participate and which conditions the right to receive benefits under such program on your being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last until your death or result in death. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of your condition.

(w) “**Withholding Taxes**” means any foreign (non-United States), federal, state and local taxes and social insurance contributions required by law to be withheld which arise in connection with the Options.

(x) "**You**"; "**Your**". You means the recipient of the Options 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 Options 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
REGARDING REPLENISHMENT OPTION GRANTS
(EMPLOYEES)

(version 2A)

This Statement of Additional Terms Regarding Replenishment Stock Option Grants (the “**Terms**”) and all of the provisions of the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan (the “**Plan**”) are incorporated into your stock option award, the specifics of which are described on the “Notice of Replenishment of Stock Options” (the “**Notice**”) that you received. Once you have accepted the Notice in accordance with the instructions set forth thereon, the Terms, the Plan and the Notice, together, constitute a binding and enforceable contract respecting your stock option award. That contract is referred to in this document as the “**Agreement**.”

1. Terminology. Capitalized words and phrases used in these Terms are defined in the Glossary at the end of this document or the first place such word or phrase appears in this document.

2. Vested Status upon Grant Date. All of the Options are vested in full as of the Grant Date. For clarity, as used in this Agreement, the term “vest” means that the Options are exercisable for the purchase of Common Stock. The fact that an Option has become vested does not mean or otherwise indicate that you have an unconditional or nonforfeitable right to such Option. A vested Option remains subject to the terms, conditions and forfeiture provisions provided for in the Plan and in this Agreement.

3. Exercise of Options.

(a) Option Exercise Rights.

(i) You may exercise the Options on any business day on or before the Expiration Date or the earlier termination of the Options, unless otherwise provided under applicable law. For this purpose, a business day is any day, other than a weekend or U.S. federal holiday, on which Price Group’s principal executive offices (in Baltimore, Maryland — Pratt Street) are open for business.

(ii) Notwithstanding the foregoing, if at any time the Committee determines that the delivery of Common Stock under the Plan or this Agreement is or may be unlawful under the laws of any applicable jurisdiction, or federal, state or foreign (non-United States) securities laws, your right to exercise the Options or receive Common Stock pursuant to the Options will be suspended until the Committee determines that such delivery is lawful. Likewise, if at any time the Committee determines that the delivery of Common Stock under the Plan or this Agreement is or may violate the rules of the national securities exchange on which the Common Stock is then listed for trade, your right to exercise the Options or receive Common Stock

pursuant to the Options will be suspended until the Committee determines that such exercise or delivery would not violate such rules. Any suspension of your right to exercise the Options under this paragraph will not extend the Expiration Date of the Options and your Options could expire unexercisable during such a suspension.

(iii) Section 4 below describes certain limitations on exercise of the Options that apply in the event of your death, Total and Permanent Disability, or Termination of Service which limitations could terminate your right to exercise the Options earlier than the Expiration Date.

(iv) You may exercise the Options only in multiples of whole shares. No fractional shares of Common Stock will be issued under the Options.

(v) In no event will any additional replenishment options be granted upon the exercise of the replenished Options.

(b) Exercise Procedure. In order to initiate an exercise of your Options, you must deliver the following items to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department in the Baltimore, Maryland – Pratt Street office:

(i) an exercise notice, in such manner and form (including, without limitation, electronic on-line format) as the Committee may require from time to time, that specifies the number of shares of Common Stock you then desire to purchase under the Options and your method of payment of the aggregate purchase price; and

(ii) full payment of the aggregate purchase price for the shares specified in the exercise notice or properly executed, irrevocable instructions, in such manner and form as the Committee may require from time to time, to effectuate a broker-assisted cashless exercise, each in accordance with Section 3(e) of this Agreement.

(c) Date Exercise becomes Effective.

(i) Your exercise will become effective (the "**Exercise Date**") as follows, provided that such exercise otherwise is permitted under and complies with all applicable laws:

(A) on the date on which both the exercise notice and payment of the aggregate purchase price is received by the Company's Payroll and Stock Transaction Group, if such items are received by 5:00 p.m. U.S. Eastern Time on a business day;

(B) on the first business day after the date on which both the exercise notice and payment of the aggregate purchase price is received by the Company's Payroll and Stock Transaction Group, if such items are received after 5:00 p.m. U.S. Eastern Time or are received on a day that is not a business day; or

(C) on the date on which the sale of shares is executed via a broker-assisted cashless exercise, as confirmed by the brokerage firm, if the exercise notice is accompanied by instructions to effectuate a broker-assisted cashless exercise.

(ii) You are responsible for ensuring that your exercise notice and payment of the aggregate purchase price or instructions to effectuate a broker-assisted cashless exercise are received by the Company's Payroll and Stock Transaction Group with sufficient time to enable the Exercise Date to occur in accordance with the foregoing rules before the Options expire, are forfeited or otherwise terminated. Because The Nasdaq Stock Market closes at 4:00 p.m. U.S. Eastern Time, any broker-assisted cashless exercise instruction received by the Company's Payroll and Stock Transaction Group after 4:00 p.m. U.S. Eastern Time cannot be processed until the next business day on which The Nasdaq Stock Market is open for trading. If your broker-assisted cashless exercise instruction results in the sale of shares over a number of days, each day on which a sale occurs will constitute the Exercise Date of the Option with respect to the shares sold on such day.

(d) Method of Payment.

(i) You may pay the aggregate purchase price for the shares specified in the exercise notice by:

(A) delivering cash, wire or fund transfer, check, bank draft, postal or express money order payable to the order of the Company, or other cash equivalent acceptable to the Committee in its discretion, in each such case in currency acceptable to the Committee;

(B) executing a broker-assisted cashless exercise in accordance with Regulation T of the Board of Governors of the Federal Reserve System through a brokerage firm designated or approved by the Committee, under which the broker is irrevocably instructed to deliver to the Company on your behalf an amount, in cash or acceptable cash equivalents, sufficient to pay the aggregate purchase price for the shares of Common Stock you then desire to purchase under the Options (plus applicable Withholding Taxes, if any), and the Company is instructed to deliver the shares to the broker upon receipt of such amount;

(C) unless limited by the Committee, tendering to the Company (via attestation in a form satisfactory to the Committee) other shares of Common Stock owned by you, in which case the Company will attribute to the tendered shares a value equal to the official closing price per share of Common Stock for the regular market session of The Nasdaq Stock Market (or the principal market for the Common Stock as determined by the Committee if the Common Stock is not listed for trade on The Nasdaq Stock Market or is listed or admitted to trading on more than one exchange or market) on the Exercise Date or, if no sale is reported for that date, on the last preceding day on which a sale was reported, all as reported by such source as the Committee may select;

(D) unless limited by the Committee, electing net share settlement with respect to any portions of the Options that do not qualify as incentive stock options within the meaning of Section 422 of the Code;

(E) any other method approved by the Committee with respect to Options that do not qualify as incentive stock options within the meaning of Section 422 of the Code; or

(F) any combination of the foregoing.

(ii) The Committee in its discretion may place limitations on the extent, if any, to which you may pay the aggregate purchase price by tendering shares of Common Stock or electing net share settlement. If the shares of Common Stock tendered or withheld are insufficient in value to pay the aggregate purchase price, you must deliver the net unpaid amount to the Company's Payroll and Stock Transaction Group on the Exercise Date in cash or in one of the specified forms of acceptable cash equivalents; provided, however, that if the net unpaid amount is less than the value of one share of Common Stock, the Company may allow you to pay such amount by having it withheld from your next paycheck.

(e) **Tax Withholding.** By accepting the Options, you agree to make adequate provision for foreign (non-United States), federal, state and local taxes and social insurance contributions (collectively, "**Withholding Taxes**") required by law to be withheld, if any, which arise in connection with the Options. The Company shall have the right to deduct from any compensation or any other payment of any kind due you (including withholding the issuance or delivery of shares of Common Stock under the Options) the amount of any Withholding Taxes required by law to be withheld as a result of the grant, vesting or exercise of the Options, in whole or in part, or as otherwise may be required by applicable law; provided, however, that the value of the shares of Common Stock withheld may not exceed, by more than a fractional share, 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 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. The Company may, in its sole discretion, permit or require you to satisfy, in whole or in part, any Withholding Tax obligation which may arise in connection with the Options either by having the Company withhold from the shares to be issued upon exercise that number of shares, or by delivering 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.

(f) **Issuance of Shares upon Exercise.** The Company will issue to you the shares of Common Stock underlying the Options you exercise as soon as practicable after the exercise date, subject to the Company's receipt of the aggregate purchase price and the requisite Withholding Taxes, if any. 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 Options in uncertificated book entry form. Any share certificates delivered will, unless the shares of Common Stock are registered or an exemption from registration is available under applicable federal and state law, bear a legend restricting transferability of such shares of Common Stock.

4. Exercise Periods upon Termination of Service or Death.

(a) The Options, 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 90 days after your Termination of Service with the Company, except in the case of your death, Total and Permanent Disability 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;

(iv) The expiration of 13 months after the date of your Termination of Service due to Total and Permanent Disability; or

(v) 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 Options.

(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 Service for purposes of this Agreement upon such cessation. Any determination made by the Committee with respect to any matter referred to in this Section 4 will be final and conclusive on all persons affected thereby.

(c) Any person seeking to exercise your Options following your death must provide to the Company appropriate documentation as may be requested by the Committee to establish your death and such person's right to exercise the Options.

5. Nontransferability of Options. These Options are nontransferable otherwise than by last will and testament or the laws of descent and distribution and, during your lifetime, the Options may be exercised only by you or, during the period you are under a legal disability, by your guardian or legal representative, provided, however, that with the advance consent of the Committee, vested Options may be transferred to one or more of your family members or a trust, partnership or the like for the benefit of you and/or one or more of your family members. Except as provided above, the Options and, before exercise, the shares of Common Stock

subject to purchase thereunder, may not be assigned, transferred, pledged, hypothecated, subjected to any “put equivalent position,” “call equivalent position” (as each preceding term is defined by Rule 16(a)-1 under the Securities Exchange Act of 1934), or short position, or disposed of in any way (whether voluntarily or involuntarily, by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

6. Status for U.S. Federal Tax Purposes. The Options are not intended to qualify as incentive stock options within the meaning of Section 422 of the Code, and this Agreement shall be so construed. By accepting the Options you acknowledge that, if you are a U.S. taxpayer for federal tax purposes, then upon exercise of the Options, you will recognize ordinary income in an amount equal to the excess, if any, of the Fair Market Value, as measured on the exercise date, of the shares of Common Stock purchased over the aggregate purchase price paid. If you are a taxpayer in any other jurisdiction, the taxation of your Options may be different. You must comply with the provisions of Section 3(e) of this Agreement with respect to any Withholding Tax obligations that arise as a result of such exercise.

7. Adjustments for Corporate Transactions and Other Events.

(a) Mandatory Adjustments. In the event of a merger, consolidation, stock rights offering, liquidation, statutory share exchange or similar event affecting Price Group (each, a “**Corporate Event**”) or a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extraordinary dividend of cash or other property, share combination or subdivision, or recapitalization or similar event affecting the capital structure of Price Group (each, a “**Share Change**”), the Committee shall make equitable and appropriate substitutions or proportionate adjustments to the number of outstanding Options and the purchase price per share to reflect such event; provided, however, that any fractional Options resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Committee, whose determination as to what adjustments will be made and the extent thereof will be final, binding and conclusive.

(b) Discretionary Adjustments. In the case of Corporate Events, the Committee may make such other adjustments to outstanding Options as it determines to be appropriate and desirable, which adjustments may include, without limitation, (i) the cancellation of outstanding Options in exchange for payments of cash, securities or other property or a combination thereof having an aggregate value equal to the value of such Options, as determined by the Committee in its sole discretion (it being understood that in the case of a Corporate Event with respect to which stockholders of Price Group receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an Option shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event over the purchase price per share of such Option shall conclusively be deemed valid and that any Option may be cancelled for no consideration upon a Corporate Event if its purchase price per share does not exceed the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event), (ii) the substitution of securities or other property (including, without limitation, cash or other securities of Price Group and securities of entities other than Price Group) for the shares of Common Stock subject to outstanding Options, and (iii) the substitution of equivalent awards, as determined in the sole discretion of the Committee, of the surviving or successor entity or a parent thereof. Notwithstanding the foregoing, any adjustments made pursuant to Options that are incentive stock options within the meaning of Section 422 of the Code shall be made in compliance with the requirements of Section 424(a) of the Code.

(c) Dissolution or Liquidation. Unless the Committee determines otherwise, all of the Options shall terminate upon the dissolution or liquidation of Price Group.

(d) Change in Control. Notwithstanding anything in this Agreement or the Plan to the contrary, in the event that a Change in Control occurs, outstanding Options will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Options by, or for the substitution of equivalent options, as determined in the sole discretion of the Committee, of the surviving or successor entity or a parent thereof. In the event of such termination, (i) you will be permitted, immediately before the Change in Control, to exercise the Options, and (iii) the Committee may take any of the actions set forth in Section 7(a) and 7(b) with respect to any or all of the Options. Implementation of the provisions of the immediately foregoing sentence shall be conditioned upon consummation of the Change in Control.

8. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your 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 Options or any other adverse effect on your interests under the Plan.

9. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to the shares of Common Stock subject to purchase under the Options until such shares have been issued to you upon the due exercise of the Options. 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.

10. The Company's Rights. The existence of the Options will not affect in any way the right or power of Price Group 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 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.

(a) Methods of Delivery. The Company may from time to time electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the Options, 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

(b) Consent and Acknowledgment. By your accepting the Notice correlating to these Terms, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Options and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

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, as amended from time to time or any successor thereto (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your Options if you on the Grant Date are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

14. Entire Agreement. This Agreement, together with the correlating Notice and the Plan, contain the entire agreement between you and the Company with respect to the Options awarded hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the acceptance of the Notice correlating to these Terms with respect to the Options awarded hereunder shall be void and ineffective for all purposes.

15. Amendment. Except as otherwise provided in the Plan, the Committee may unilaterally amend the terms of this Agreement, but no such amendment shall materially impair your rights with respect to your Options without your consent, except such an amendment made to cause the Plan or the Agreement to comply with applicable law, applicable rule of any securities exchange on which the Common Stock is listed or admitted for trading, or to prevent adverse tax or accounting consequences for you or the Company or any of its Affiliates. 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 with, and are subject to all applicable provisions 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://home2.troweprice.com/tssso/tssoweb/SSOServlet> or in hard copy upon request to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

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. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Baltimore, Maryland or any state court in the district which includes Baltimore, Maryland. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

18. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Committee in good faith 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. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Committee. You further agree that in the event that the Committee does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than 24 months after the Committee's decision.

19. 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.

20. 409A Savings Clause. This Agreement and the Options awarded hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. This Agreement and the Options shall be administered, interpreted and construed in a manner consistent with this intent. Nothing in the Plan or this Agreement shall be construed as including any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Options. Should any provision of this Agreement or the Options be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, it may 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 or warranty by the Company of any particular tax effect of the Options.

21. Service and Employment Acknowledgments. By accepting the Notice, you acknowledge and agree that: (i) the Plan is established voluntarily by the Company, is

discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan or this Agreement; (ii) you are voluntarily participating in the Plan; (iii) the award of Options is a one-time benefit which does not create any contractual or other right to receive future awards of Options, or compensation or benefits in lieu of Options, even if Options have been awarded repeatedly in the past; (iv) all determinations with respect to any such future awards, including, but not limited to, the times when Options shall be awarded or shall become vested or exercisable and the number of Options subject to each award, will be at the sole discretion of the Committee; (v) the value of the Options is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (vi) the value of the Options 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, welfare or retirement benefits; (vii) the vesting of the Options 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 in this Agreement; (viii) the value of the Options and the underlying Shares cannot be predicted with certainty and will change over time and the Company does not guarantee any future value; (ix) if you are not an employee of the Company, the Options grant will not be interpreted to form an employment contract or relationship with the Company; nothing in this Agreement shall confer upon you any right to continue in the service of the Company or interfere in any way with any right of the Company to terminate your service as a director, an employee or consultant, as the case may be, at any time, subject to applicable law; the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the Shares underlying the Options; and (x) no claim or entitlement to compensation or damages arises if the value of the Options or the underlying Shares decreases and in consideration for the grant of the Options you irrevocably release the Company from any claim or entitlement to compensation or damages that does arise in connection with the Options.

22. Data Privacy Consent. For purposes of the implementation, administration and management of the Options and the Plan or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation, recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "Corporate Transaction"), you explicitly and unambiguously consent, by accepting the Notice, 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 or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social insurance number, tax identification number, date of birth, nationality, job title or duties, salary and payroll location, data for tax withholding purposes and Options awarded, cancelled, vested and unvested) is held by the Company and may be transferred to any broker designated by the Committee or third parties assisting in the implementation, administration and management of the Options or the Plan or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data, in electronic or other form, by the recipient(s) for these purposes. 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 personal data will be held only as long as is necessary to

implement, administer and manage the Options or Plan or effect a Corporate Transaction. You understand that, to the extent required by applicable law, 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 in the Baltimore, Maryland – Pratt Street office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an award of Options or otherwise participate in the Plan.

23. 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 previously, now or hereafter existing, in which the Company, directly or indirectly, at the relevant time 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 in Control**” has the meaning ascribed to such term in the Plan.

(d) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor section, regulations and guidance.

(e) “**Committee**” means the Executive Compensation Committee, or such other committee(s) or officer(s) duly appointed by the Board or the Executive Compensation Committee to administer the Plan or delegated limited authority to perform administrative actions under the Plan, and having such powers as shall be specified by the Board or the Executive Compensation Committee; provided, however, that at any time the Board may serve as the Committee in lieu of or in addition to the Executive Compensation Committee or such other committee(s) or officer(s) to whom administrative authority has been delegated.

(f) “**Common Stock**” means shares of common stock of T. Rowe Price Group, Inc., par value twenty cents (\$0.20) per share and any capital securities into which they are converted.

(g) “**Company**” means T. Rowe Price Group, Inc. and its Affiliates and successors, 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) “**Corporate Transaction**” means the consummation of a reorganization, merger, tender offer, share exchange, consolidation or other business combination, acquisition of Price Group equity securities, or sale or other disposition of all or substantially all of the assets of Price Group or the acquisition of assets of another entity.

(i) “**Executive Compensation Committee**” means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc.

(j) “**Expiration Date**” means the date set forth on the Notice indicating when the Options expire if not sooner exercised, forfeited or otherwise terminated.

(k) “**Fair Market Value**” means, as of any date, unless otherwise determined by the Committee, the official closing price per share of Common Stock for the regular market session on that date on the principal exchange or market on which the Common Stock is then listed or admitted to trading or, if no sale is reported for that date, on the last preceding day on which a sale was reported, all as reported by such source as the Committee may select.

(l) “**Grant Date**” means the date set forth on the Notice indicating when the grant of Options was approved by the Committee.

(m) “**Notice**” means the Notice of Replenishment of Stock Options which correlates with these Terms and sets forth the specifics of the applicable award of Options.

(n) “**Option**” means a right to purchase a specified number of shares of Common Stock from Price Group at a specified price during a specified period of time after the right becomes exercisable. Each Option represents a contractual obligation of the Company to deliver one share of Common Stock to the option holder upon due exercise of the Option.

(o) “**Plan**” means the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan.

(p) “**Price Group**” means T. Rowe Price Group, Inc.

(q) “**Service**” means your employment with the Company, inclusive of any period of credited service that may be allocated to you by the Company in writing for periods during which you were not employed with the Company. Your Service will be considered to have ceased with the 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 its successor or an Affiliate of T. Rowe Price Group, Inc. or its successor.

(r) “**Termination of Service**” means the termination of your employment with the Company. Temporary absences from employment because of illness, vacation or leave of absence and transfers among entities which comprise the Company, including all Affiliates, shall not be considered Terminations of Service; provided, however, that the Committee has discretion to determine that a Termination of Service has occurred if, for six continuous months, you are absent or otherwise unable for any reason to perform substantially all the essential duties of your position, as determined by the Committee. The Committee has discretion to determine the date upon which you incur a Termination of Service.

(s) “**Terms**” mean this Statement of Additional Terms Regarding Awards of Stock Options.

(t) “**Total and Permanent Disability**” means that you are (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until your death or result in death, or (ii) determined to be totally disabled by the Social Security Administration or other governmental or quasi-governmental body that administers a comparable social insurance program outside of the United States in which you participate and which conditions the right to receive benefits under such program on your being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last until your death or result in death. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of your condition.

(u) "**Withholding Taxes**" means any foreign (non-United States), federal, state and local taxes and social insurance contributions required by law to be withheld which arise in connection with the Options.

(v) "**You**"; "**Your**". You means the recipient of the Options 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 Options 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}

**Notice of Replenishment of
Stock Options**

T. Rowe Price Group, Inc.
ID: 52-2264646
100 E. Pratt Street
Baltimore, MD 21202 USA

**NAME
ADDRESS**

Award Number:

ID:

Plan:

2012 Long-Term Incentive Plan

On _____, 20____ (the Grant Date), in light of your stock swap exercise, T. Rowe Price Group, Inc. (Price Group) granted you replenishment stock options (Reload Options) under Price Group's 2012 Long-Term Incentive Plan to purchase from Price Group _____ shares of Price Group common stock at \$ _____ per share, the closing price of Price Group common stock on the Grant Date. The Reload Options are nonqualified stock options which do not qualify as incentive stock options for purposes of U.S. federal tax law. The Reload Options are subject to the provisions of the Statement of Additional Terms Regarding Replenishment Option Grants (*employees*) (the Statement of Additional Terms).

Vesting Schedule: The Reload Options are fully vested and exercisable as of the Grant Date.

Expiration Date: The Reload Options, if not sooner exercised, forfeited or otherwise terminated, expire on _____, 20____.

Your participation in our stock-based compensation program recognizes that you play a key role in the long-term success of Price Group and affords you the opportunity to participate alongside our other stockholders in that success.

CEO & President

Date

To accept this grant you must, access the T. Rowe Price Exchange Web site and select myTRP >Compensation, Payroll & Stock>Employee Stock Transactions - TRPG Stock>Equity Awards>Equity Award Information (Express Desktop) or go to <https://home2.troweprice.com/tssso/tssoweb/SSOServlet>. After signing in using your T. Rowe Price network logon and password, you will be in Express Desktop. Click on Grant History under the type of award you received and accept the appropriate award(s) by selecting the Pending link in the Status column. **You must accept this grant before it may be exercised.**

By accepting the grant online, you acknowledge that you have been provided, have read and agree to be bound by the terms of the Statement of Additional Terms under which this grant has been made and the prospectus for the 2012 Long-Term Incentive Plan, both of which are available on the Express Desktop. You also consent to the electronic delivery, via email, posting on Price Group's Web site, Express Desktop or the Web site of any third party vendor that provides stock plan administrative services to Price Group, of this Notice, the Statement of Additional Terms and all future notices or other information with respect to this grant, the 2012 Long-Term Incentive Plan, and the common shares of Price Group. 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

STATEMENT OF ADDITIONAL TERMS
REGARDING AWARDS OF STOCK OPTIONS

(version 2B)

This Statement of Additional Terms Regarding Awards of Stock Options (the “**Terms**”) and all of the provisions of the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan (the “**Plan**”) are incorporated into your stock option award, the specifics of which are described on the “Notice of Grant of Stock Option Award” (the “**Notice**”) that you received. Once you have accepted the Notice in accordance with the instructions set forth thereon, the Terms, the Plan and the Notice, together, constitute a binding and enforceable contract respecting your stock option award. That contract is referred to in this document as the “**Agreement**.”

1. Terminology. Capitalized words and phrases used in these Terms are defined in the Glossary at the end of this document or the first place such word or phrase appears in this document.

2. Vesting.

(a) Vested Status upon Grant Date. All of the Options are nonvested and forfeitable as of the Grant Date. For clarity, as used in this Agreement, the term “vest” means that the Options become exercisable for the purchase of Common Stock. The fact that an Option has become vested does not mean or otherwise indicate that you have an unconditional or nonforfeitable right to such Option. A vested Option remains subject to the terms, conditions and forfeiture provisions provided for in the Plan and in this Agreement.

(b) Vesting Schedule. So long as your Service is continuous from the Grant Date through the applicable date upon which vesting is scheduled to occur, the Options will vest and become exercisable on the vesting dates as set forth in the correlating Notice.

(c) Post-employment Vesting Continuation.

(i) If, as of the date on which your Termination of Service occurs, you have at least 35 years of Credited Service and at least ten years of that Credited Service is attributable to Service with the Company (as determined by the Committee), including Service with any successor to the Company, then, except as otherwise provided in this Agreement, the then-unvested Options that have not been previously forfeited and which are scheduled to vest within the 36-month period immediately following your Termination of Service will vest and become exercisable on their scheduled vesting dates set forth in the correlating Notice notwithstanding the fact that your Service has terminated.

(ii) Notwithstanding the provisions of Section 2(c)(i) to the contrary, unless the Committee determines otherwise, your unvested Options will be immediately forfeited for no consideration, no further vesting will accrue and no shares of Common Stock will be delivered in respect thereof, if you breach any of the restrictive covenants set forth in Section 6.

(d) Vesting upon Death or Disability. All of the Options that have not already vested or been previously forfeited will vest and become exercisable upon your death or Termination of Service due to your Total and Permanent Disability.

(e) Double-trigger Vesting. If, coincident with or during the 18-month period following the effective date of a Change in Control, your Service is terminated either (i) by the Company or a successor to the Company other than for Cause, Total and Permanent Disability or death or (ii) by you for Good Reason, then all of the Options that have not already vested or been previously forfeited or terminated in connection with the Change in Control will vest and become exercisable upon such Termination of Service.

3. Exercise of Options.

(a) Exercisability. None of the Options are exercisable as of the Grant Date. The Options will become exercisable in installments in accordance with the Vesting Schedule set forth in the correlating Notice, so long as you are in the continuous Service of the Company from the Grant Date through the applicable vesting dates or as otherwise provided in Section 2 above.

(b) Option Exercise Rights.

(i) You may exercise the Options, to the extent they have become exercisable, on any business day on or before the Expiration Date or the earlier termination of the Options, unless otherwise provided under applicable law. For this purpose, a business day is any day, other than a weekend or U.S. federal holiday, on which Price Group's principal executive offices (in Baltimore, Maryland — Pratt Street) are open for business. You are not required to exercise your Options when they vest. Vested Options will accumulate and be exercisable by you, in whole or in part, at any time before the Options expire or are otherwise forfeited or terminated.

(ii) Notwithstanding the foregoing, if at any time the Committee determines that the delivery of Common Stock under the Plan or this Agreement is or may be unlawful under the laws of any applicable jurisdiction, or federal, state or foreign (non-United States) securities laws, your right to exercise the Options or receive Common Stock pursuant to the Options will be suspended until the Committee determines that such delivery is lawful. Likewise, if at any time the Committee determines that the delivery of Common Stock under the Plan or this Agreement is or may violate the rules of the national securities exchange on which the Common Stock is then listed for trade, your right to exercise the Options or receive Common Stock pursuant to the Options will be suspended until the Committee determines that such exercise or delivery would not violate such rules. Any suspension of your right to exercise the Options under this paragraph will not extend the Expiration Date of the Options and your Options could expire unexercisable during such a suspension.

(iii) Section 4 below describes certain limitations on exercise of the Options that apply in the event of your death, Total and Permanent Disability, or Termination of Service which limitations could terminate your right to exercise the Options earlier than the Expiration Date.

(iv) You may exercise the Options only in multiples of whole shares. No fractional shares of Common Stock will be issued under the Options.

(c) Exercise Procedure. In order to initiate an exercise of your Options, you must deliver the following items to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department in the Baltimore, Maryland – Pratt Street office:

(i) an exercise notice, in such manner and form (including, without limitation, electronic on-line format) as the Committee may require from time to time, that specifies the number of shares of Common Stock you then desire to purchase under the Options and your method of payment of the aggregate purchase price; and

(ii) full payment of the aggregate purchase price for the shares specified in the exercise notice or properly executed, irrevocable instructions, in such manner and form as the Committee may require from time to time, to effectuate a broker-assisted cashless exercise, each in accordance with Section 3(e) of this Agreement.

(d) Date Exercise becomes Effective.

(i) Your exercise will become effective (the "**Exercise Date**") as follows, provided that such exercise otherwise is permitted under and complies with all applicable laws:

(A) on the date on which both the exercise notice and payment of the aggregate purchase price is received by the Company's Payroll and Stock Transaction Group, if such items are received by 5:00 p.m. U.S. Eastern Time on a business day;

(B) on the first business day after the date on which both the exercise notice and payment of the aggregate purchase price is received by the Company's Payroll and Stock Transaction Group, if such items are received after 5:00 p.m. U.S. Eastern Time or are received on a day that is not a business day; or

(C) on the date on which the sale of shares is executed via a broker-assisted cashless exercise, as confirmed by the brokerage firm, if the exercise notice is accompanied by instructions to effectuate a broker-assisted cashless exercise.

(ii) You are responsible for ensuring that your exercise notice and payment of the aggregate purchase price or instructions to effectuate a broker-assisted cashless exercise are received by the Company's Payroll and Stock Transaction Group with sufficient time to enable the Exercise Date to occur in accordance with the foregoing rules before the Options expire, are forfeited or otherwise terminated. Because The Nasdaq Stock Market closes at 4:00 p.m. U.S. Eastern Time, any broker-assisted cashless exercise instruction received by the Company's Payroll and Stock Transaction Group after 4:00 p.m. U.S. Eastern Time cannot be processed until the next business day on which The Nasdaq Stock Market is open for trading. If your broker-assisted

cashless exercise instruction results in the sale of shares over a number of days, each day on which a sale occurs will constitute the Exercise Date of the Option with respect to the shares sold on such day.

(e) Method of Payment.

(i) You may pay the aggregate purchase price for the shares specified in the exercise notice by:

(A) delivering cash, wire or fund transfer, check, bank draft, postal or express money order payable to the order of the Company, or other cash equivalent acceptable to the Committee in its discretion, in each such case in currency acceptable to the Committee;

(B) executing a broker-assisted cashless exercise in accordance with Regulation T of the Board of Governors of the Federal Reserve System through a brokerage firm designated or approved by the Committee, under which the broker is irrevocably instructed to deliver to the Company on your behalf an amount, in cash or acceptable cash equivalents, sufficient to pay the aggregate purchase price for the shares of Common Stock you then desire to purchase under the Options (plus applicable Withholding Taxes, if any), and the Company is instructed to deliver the shares to the broker upon receipt of such amount;

(C) unless limited by the Committee, tendering to the Company (via attestation in a form satisfactory to the Committee) other shares of Common Stock owned by you, in which case the Company will attribute to the tendered shares a value equal to the official closing price per share of Common Stock for the regular market session of The Nasdaq Stock Market (or the principal market for the Common Stock as determined by the Committee if the Common Stock is not listed for trade on The Nasdaq Stock Market or is listed or admitted to trading on more than one exchange or market) on the Exercise Date or, if no sale is reported for that date, on the last preceding day on which a sale was reported, all as reported by such source as the Committee may select;

(D) unless limited by the Committee, electing net share settlement with respect to any portions of the Options that do not qualify as incentive stock options within the meaning of Section 422 of the Code;

(E) any other method approved by the Committee with respect to Options that do not qualify as incentive stock options within the meaning of Section 422 of the Code; or

(F) any combination of the foregoing.

(ii) The Committee in its discretion may place limitations on the extent, if any, to which you may pay the aggregate purchase price by tendering shares of Common Stock or electing net share settlement, and in no event may you pay the purchase price through either of those two methods if you are a resident of Canada. If the shares of Common Stock tendered or withheld are insufficient in value to pay the aggregate purchase price, you must deliver the net unpaid amount to the Company's

Payroll and Stock Transaction Group on the Exercise Date in cash or in one of the specified forms of acceptable cash equivalents; provided, however, that if the net unpaid amount is less than the value of one share of Common Stock, the Company may allow you to pay such amount by having it withheld from your next paycheck.

(f) Tax Withholding. By accepting the Options, you agree to make adequate provision for foreign (non-United States), federal, state and local taxes and social insurance contributions (collectively, "**Withholding Taxes**") required by law to be withheld, if any, which arise in connection with the Options. The Company shall have the right to deduct from any compensation or any other payment of any kind due you (including withholding the issuance or delivery of shares of Common Stock under the Options) the amount of any Withholding Taxes required by law to be withheld as a result of the grant, vesting or exercise of the Options, in whole or in part, or as otherwise may be required by applicable law; provided, however, that the value of the shares of Common Stock withheld may not exceed, by more than a fractional share, 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 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. The Company may, in its sole discretion, permit or require you to satisfy, in whole or in part, any Withholding Tax obligation which may arise in connection with the Options either by having the Company withhold from the shares to be issued upon exercise that number of shares, or by delivering 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.

(g) Issuance of Shares upon Exercise. The Company will issue to you the shares of Common Stock underlying the Options you exercise as soon as practicable after the exercise date, subject to the Company's receipt of the aggregate purchase price and the requisite Withholding Taxes, if any. 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 Options in uncertificated book entry form. Any share certificates delivered will, unless the shares of Common Stock are registered or an exemption from registration is available under applicable federal and state law, bear a legend restricting transferability of such shares of Common Stock. If you purchase shares of Common Stock under Options that qualify as incentive stock options within the meaning of Section 422 of the Code, the Company may take reasonable measures, which you agree to abide by when accepting the correlating Notice, to track the ownership of such shares until the date on which a sale or disposition of the shares by you would no longer constitute a disqualifying disposition within the meaning of Section 422 of the Code.

4. Forfeiture of Unvested Options upon Termination of Service.

(a) Termination before Accruing 35 Years of Credited Service with 10 Years of Service with the Company. If your Service ceases for any reason before you have at least 35 years of Credited Service with at least ten years of Credited Service that is attributable to Service with the Company (as determined by the Committee), including Service with any successor to the Company, all Options that are not then vested or eligible for future vesting, after giving effect to the applicable provisions of Section 2 above, will be immediately forfeited upon such cessation for no consideration.

(b) Termination after Accruing 35 Years of Credited Service with 10 Years of Service with the Company. If, as of the date on which your Termination of Service occurs, you have at least 35 years of Credited Service and at least ten years of that Credited Service is attributable to Service with the Company (as determined by the Committee), including Service with any successor to the Company, then Options that are not then vested, after giving effect to the applicable provisions of Section 2 above, and which are scheduled to vest on vesting dates set forth in the correlating Notice that fall beyond the 36-month period immediately following your Termination of Service, will be immediately forfeited upon such cessation for no consideration and Section 2(c) will apply to the then-unvested Options which are scheduled to vest within the 36-month period immediately following your Termination of Service.

5. Exercise Periods upon Termination of Service. The period during which you may exercise Options after your Service with the Company terminates is dependent upon your cumulative years of Service credit with the Company, including Service with any successor to the Company, as of the date on which your Service terminates, as follows:

(a) Termination before Accruing 30 Years of Credited Service with 10 Years of Service with the Company. If, as of the date of your Termination of Service, you do not have at least 30 years of Credited Service with at least ten years of your Credited Service being attributable to Service with the Company (as determined by the Committee), including Service with any successor to the Company, your vested Options will terminate 90 days after the date on which your Service terminates, but in no event later than the Expiration Date.

(b) Termination after Accruing 30 Years of Credited Service with 10 Years of Service with the Company. If, as of the date of your Termination of Service, you have at least 30, but not 33, years of Credited Service and at least ten years of that Credited Service is attributable to Service with the Company (as determined by the Committee), including Service with any successor to the Company, your vested Options will terminate 13 months after the date on which your Service terminates, but in no event later than the Expiration Date.

(c) Termination after Accruing 33 Years of Credited Service with 10 Years of Service with the Company. If, as of the date of your Termination of Service, you have at least 33, but not 35, years of Credited Service and at least ten years of that Credited Service is attributable to Service with the Company (as determined by the Committee), including Service with any successor to the Company, your vested Options will terminate 36 months after the date on which your Service terminates, but in no event later than the Expiration Date.

(d) Termination after Accruing 35 Years of Credited Service with 10 Years of Service with the Company. If, as of the date of your Termination of Service, you have at least 35 years of Credited Service and at least ten years of that Credited Service is attributable to Service with the Company (as determined by the Committee), including Service with any successor to the Company, your vested Options determined as of the date of your Termination of Service will terminate 36 months after the date on which your Service terminates, but in no event later than the Expiration Date. Furthermore, any Options which become vested pursuant to Section 2(c) above within the 36-month period following the date on which your Service terminates will terminate 39 months after the date on which your Service terminates (i.e., the standard 36-month period plus three additional months), but in no event later than the Expiration Date.

(e) Disability. If your Termination of Service is due to your Total and Permanent Disability, your vested Options will terminate (i) 13 months after the date on which your Service terminates or, if later, (ii) upon the date specified in Section 5(c) or 5(d), whichever subsection is applicable (if any) based on your accrued Credited Service when your Termination of Service occurs, but in no event later than the Expiration Date.

(f) Death. If your death occurs prior to your Termination of Service or during any of the periods described in Sections 5(a), 5(b), 5(c), 5(d) or 5(e) above during which your vested Options remained exercisable by you, then your estate, personal representative or any beneficiary, heir or legatee to whom the Options have been transferred will be permitted to exercise such vested Options during the (i) 13-month period immediately following your date of death or, if longer, (ii) through the date specified in Section 5(c), 5(d), or 5(e), whichever subsection is applicable (if any) based on your accrued Credited Service when your Termination of Service occurred, but in no event later than the Expiration Date. To the extent unexercised, the vested Options will terminate upon the expiration of the applicable period specified in the immediately preceding sentence. Any person seeking to exercise your Options following your death must provide to the Company appropriate documentation as may be requested by the Committee to establish your death and such person's right to exercise the Options.

(g) Extraordinary Corporate Events. Each of the periods in which vested Options may be exercised following your Termination of Service described in this Section 5 is subject to being superseded by the provisions of the Plan with respect to a Change in Control, merger, consolidation, stock rights offering, liquidation or dissolution, statutory share exchange or similar event affecting Price Group.

6. Restrictive Covenants.

(a) Termination of Vesting/No Extension of Exercise Period. Notwithstanding anything in Section 2 or Section 5 to the contrary, unless the Committee determines otherwise, upon the occurrence of any Prohibited Action set forth in Section 6(b), the following shall occur with respect to your Options: (i) no further Options will become vested and any then-unvested Options will terminate immediately, and (ii) all Options that were vested as of the date on which your Termination of Service occurred and any Options which became vested pursuant to Section 2(c) after your Termination of Service occurred shall terminate 90 days after the date on which your Termination of Service occurred or on the date on which the Prohibited Action occurred if later, but in no event later than the Expiration Date. For clarity, unless the Committee determines otherwise, the Options described in clause (ii) of the immediately preceding sentence will terminate immediately if a Prohibited Action occurs later than the 90th day after the date on which your Termination of Service occurred.

(b) Prohibited Actions. The following actions are considered **Prohibited Actions** and subject to the consequences set forth in Section 6(a) above, whether engaged in by you directly or indirectly, either as an employee, employer, consultant, or in any other capacity:

(i) engaging in any Competing Business. "**Competing Business**" shall be defined as the business of investment advisory services to individual and/or institutional investors, retirement plan services, discount brokerage, trust services, and any other business which is competitive with the business activities of the Company;

(ii) soliciting, encouraging, or inducing any customers or clients of the Company who were current or prospective customers or clients as of the date on which your Termination of Service occurred, to terminate or reduce his, her or its relationship with the Company or not to proceed with, or enter into, any business relationship with the Company, or otherwise interfering with any such business relationship with the Company, including by encouraging or suggesting any investment management client of the Company (A) to withdraw any funds for which the Company provides investment management or advisory services, or (B) not to engage the Company to provide investment management or advisory services for any funds;

(iii) (A) soliciting, encouraging, or inducing any officer, director, employee, agent, partner, consultant or independent contractor of the Company to terminate, modify or reduce his or her relationship with the Company, (B) hiring, employing, supervising, managing or engaging any such individual, or (C) otherwise attempting to disrupt or interfere with the Company's relationship with any such individual;

(iv) using, reproducing, or disclosing any Confidential Information of the Company. "**Confidential Information**" shall be defined as client and customer lists, information with respect to the name, address, contact persons or requirements of any customer or client, other information relating to clients and prospective clients from whom the Company has solicited business or plans to solicit business, information relating to business plans and business that is conducted or anticipated to be conducted, research, technology, computer software, processes, products, pricing, costs, business methods, business objectives or strategies, marketing plans and finances;

(v) pleading guilty or *nolo contendere* (or a similar plea) to, or being convicted of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Company, as determined by the Committee in its sole discretion, or that legally prohibits you from working for the Company;

(vi) breaching a regulatory rule that adversely affects your ability to perform your employment duties to the Company in any material respect; and

(vii) failing, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of the Company, (C) follow reasonable directions received from the Company or (D) comply with covenants contained in any contract with the Company to which you are a party.

(c) Blue Pencil. If any of the provisions or terms of this Section 6 is construed by a court of competent jurisdiction to be invalid or unenforceable, it shall not affect the remainder of this Agreement, which shall be given full force and effect without regard to the invalid provision. Any invalid or unenforceable provision shall be reformed to the maximum time, geographic and/or customer limitations permitted by the applicable laws, so as to be valid and enforceable.

(d) Notification To Company. For as long as you have vested Options that have not been exercised, you covenant and agree that you will disclose to the Company the identity of any new employer within two business days of being employed or engaged by such new employer, and at the time that you seek to exercise any Options you will provide to the Company information sufficient to confirm that you have not engaged in any Prohibited Actions.

7. Nontransferability of Options. These Options are nontransferable otherwise than by last will and testament or the laws of descent and distribution and, during your lifetime, the Options may be exercised only by you or, during the period you are under a legal disability, by your guardian or legal representative, provided, however, that with the advance consent of the Committee, vested Options that are not incentive stock options within the meaning of Section 422 of the Code may be transferred to one or more of your family members or a trust, partnership or the like for the benefit of you and/or one or more of your family members. Except as provided above, the Options and, before exercise, the shares of Common Stock subject to purchase thereunder, may not be assigned, transferred, pledged, hypothecated, subjected to any "put equivalent position," "call equivalent position" (as each preceding term is defined by Rule 16(a)-1 under the Securities Exchange Act of 1934), or short position, or disposed of in any way (whether voluntarily or involuntarily, by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

8. Status for Tax Purposes.

(a) Unapproved Options. The Options are unapproved stock options that have not been granted under a sub-plan approved by Her Majesty's Revenue and Customs (HMRC). You must comply with the provisions of Section 3(e) of this Agreement with respect to any Withholding Tax obligations that arise as a result of the grant, vesting or exercise of the Options.

(b) Nonqualified Options. If the correlating Notice provides that the Options are not intended to qualify as incentive stock options within the meaning of Section 422 of the Code, this Agreement shall be so construed. In such case, by accepting the Options you acknowledge that, if you are as of the Grant Date, or subsequently become prior to exercise, a U.S. taxpayer for federal tax purposes, then upon exercise of the Options, you will recognize ordinary income in an amount equal to the excess, if any, of the Fair Market Value, as measured on the exercise date, of the shares of Common Stock purchased over the aggregate purchase price paid. If you are a taxpayer in any other jurisdiction, the taxation of your Options may be different.

(c) Incentive Stock Options. If the correlating Notice provides that the Options are intended to qualify as incentive stock options within the meaning of Section 422 of the Code and you are as of the Grant Date, or subsequently become prior to exercise, a U.S. taxpayer for federal tax purposes, then this Agreement shall be so construed to the fullest extent permitted by Section 422 of the Code, including the application of the limit provided by Section 422(d) of the Code. The Company, however, does not warrant any particular tax consequences of the Options. Section 422 of the Code provides limitations and other requirements, not set forth in this Agreement, respecting the treatment of the Options as incentive stock options. You should consult with your personal tax advisors in this regard. The quantity limitation and employment requirement pertaining to incentive stock options are outlined below.

(i) Quantity Limitation. Pursuant to Section 422(d) of the Code, the aggregate fair market value (determined as of the Grant Date) of shares of Common 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, within the meaning of Section 424(e) and 424(f) of the Code, 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 Section 422 of the Code. To the extent that such aggregate fair market value exceeds \$100,000 or such other applicable amount in any calendar year, such stock options will be treated as nonqualified stock options with respect to the amount of aggregate fair market value thereof that exceeds the Code Section 422(d) limit. For this purpose, the incentive stock options will be taken into account in the order in which they were granted. The Company may designate the shares of Common Stock that are to be treated as stock acquired pursuant to the exercise of incentive stock options and the shares of Common Stock that are to be treated as stock acquired pursuant to nonqualified stock options 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.

(ii) Employment Requirement. Except with respect to exercise after your death or Termination of Service due to Total and Permanent Disability, at all times during the period beginning with the Grant Date of an incentive stock option and ending on the day three months before the date of exercise, you must be an employee of Price Group or a subsidiary, as that term is defined in Section 424(f) of the Code, in order for the Option to be treated as an incentive stock option for U.S. federal tax purposes. Therefore, any part of the Options designated as intended to be incentive stock options which is not exercised either during your Service with Price Group or a subsidiary or within three months after your Termination of Service with Price Group or a subsidiary will not be treated as an incentive stock option for U.S. federal tax purposes when exercised. Similarly, if the entity with which you are employed ceases to be a subsidiary of Price Group, as that term is defined in Section 424(f) of the Code, then the Options will be treated as nonqualified stock options unless exercised within three months of such cessation.

9. Adjustments for Corporate Transactions and Other Events.

(a) Mandatory Adjustments. In the event of a merger, consolidation, stock rights offering, liquidation, statutory share exchange or similar event affecting Price Group (each, a “**Corporate Event**”) or a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extraordinary dividend of cash or other property, share combination or subdivision, or recapitalization or similar event affecting the capital structure of Price Group (each, a “**Share Change**”), the Committee shall make equitable and appropriate substitutions or proportionate adjustments to the number of outstanding Options, the purchase price per share, and the number of Options eligible to vest on each subsequent vesting date under the vesting schedule set forth on the Notice to reflect such event; provided, however, that any fractional Options resulting from any such adjustment shall be eliminated. Adjustments under this paragraph will be made by the Committee, whose determination as to what adjustments will be made and the extent thereof will be final, binding and conclusive.

(b) Discretionary Adjustments. In the case of Corporate Events, the Committee may make such other adjustments to outstanding Options as it determines to be appropriate and desirable, which adjustments may include, without limitation, (i) the cancellation of outstanding Options in exchange for payments of cash, securities or other property or a combination thereof having an aggregate value equal to the value of such Options, as determined by the Committee in its sole discretion (it being understood that in the case of a Corporate Event with respect to which stockholders of Price Group receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Committee that the value of an Option shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event over the purchase price per share of such Option shall conclusively be deemed valid and that any Option may be cancelled for no consideration upon a Corporate Event if its purchase price per share does not exceed the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event), (ii) the substitution of securities or other property (including, without limitation, cash or other securities of Price Group and securities of entities other than Price Group) for the shares of Common Stock subject to outstanding Options, and (iii) the substitution of equivalent awards, as determined in the sole discretion of the Committee, of the surviving or successor entity or a parent thereof. Notwithstanding the foregoing, any adjustments made pursuant to Options that are incentive stock options within the meaning of Section 422 of the Code shall be made in compliance with the requirements of Section 424(a) of the Code.

(c) Dissolution or Liquidation. Unless the Committee determines otherwise, all of the Options shall terminate upon the dissolution or liquidation of Price Group.

(d) Change in Control. Notwithstanding anything in this Agreement or the Plan to the contrary, in the event that a Change in Control occurs, outstanding Options will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Options by, or for the substitution of equivalent options, as determined in the sole discretion of the Committee, of the surviving or successor entity or a parent thereof. In the event of such termination, (i) the outstanding Options that will terminate upon the effective time of the Change in Control shall, immediately before the effective time of the Change in Control, become fully exercisable, (ii) you will be permitted, immediately before the Change in Control, to exercise the Options, and (iii) the Committee may take any of the actions set forth in Section 9(a) and 9(b) with respect to any or all of the Options. Implementation of the provisions of the immediately foregoing sentence shall be conditioned upon consummation of the Change in Control.

10. Non-Guarantee of Employment. Nothing in the Plan or this Agreement shall alter your 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 Options or any other adverse effect on your interests under the Plan.

11. Rights as Stockholder. You shall not have any of the rights of a stockholder with respect to the shares of Common Stock subject to purchase under the Options until such shares have been issued to you upon the due exercise of the Options. 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. The Company's Rights. The existence of the Options will not affect in any way the right or power of Price Group 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 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.

13. 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.

14. Electronic Delivery of Documents.

(a) Methods of Delivery. The Company may from time to time electronically deliver, via e-mail or posting on the Company's website, these Terms, information with respect to the Plan or the Options, 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 in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

(b) Consent and Acknowledgment. By your accepting the Notice correlating to these Terms, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Options and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

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, as amended from time to time or any successor thereto (the "**Recoupment Policy**"), are incorporated by reference into this Agreement and shall apply to your Options if you on the Grant Date are or subsequently become an executive officer or other senior executive who is subject to the Recoupment Policy.

16. Entire Agreement. This Agreement, together with the correlating Notice and the Plan, contain the entire agreement between you and the Company with respect to the Options awarded hereunder. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the acceptance of the Notice correlating to these Terms with respect to the Options awarded hereunder shall be void and ineffective for all purposes.

17. Amendment. Except as otherwise provided in the Plan, the Committee may unilaterally amend the terms of this Agreement, but no such amendment shall materially impair your rights with respect to your Options without your consent, except such an amendment made to cause the Plan or the Agreement to comply with applicable law, applicable rule of any securities exchange on which the Common Stock is listed or admitted for trading, or to prevent adverse tax or accounting consequences for you or the Company or any of its Affiliates. 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.

18. Conformity with Plan. These Terms are intended to conform with, and are subject to all applicable provisions 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://home2.troweprice.com/tssso/tssoweb/SSOServlet> or in hard copy upon request to the Company's Payroll and Stock Transaction Group in the CFO-Finance Department in the Baltimore, Maryland – Pratt Street office or by telephone, at 410-345-7716.

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. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Baltimore, Maryland, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Baltimore, Maryland or any state court in the district which includes Baltimore, Maryland. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

20. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Committee in good faith 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. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Committee. You further agree that in the event that the Committee does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than 24 months after the Committee's decision.

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 Options awarded hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. This Agreement and the Options shall be administered, interpreted and construed in a manner consistent with this intent. Nothing in the Plan or this Agreement shall be construed as including any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Options. Should any provision of this Agreement or the Options be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, it may 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 or warranty by the Company of any particular tax effect of the Options.

23. **Service and Employment Acknowledgments.** By accepting the Notice, you acknowledge and agree that: (i) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan or this Agreement; (ii) you are voluntarily participating in the Plan; (iii) the award of Options is a one-time benefit which does not create any contractual or other right to receive future awards of Options, or compensation or benefits in lieu of Options, even if Options have been awarded repeatedly in the past; (iv) all determinations with respect to any such future awards, including, but not limited to, the times when Options shall be awarded or shall become vested or exercisable and the number of Options subject to each award, will be at the sole discretion of the Committee; (v) the value of the Options is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (vi) the value of the Options 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, welfare or retirement benefits; (vii) the vesting of the Options 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 in this Agreement; (viii) the value of the Options and the underlying Shares cannot be predicted with certainty and will change over time and the Company does not guarantee any future value; (ix) if you are not an employee of the Company, the Options grant will not be interpreted to form an employment contract or relationship with the Company; nothing in this Agreement shall confer upon you any right to continue in the service of the Company or interfere in any way with any right of the Company to terminate your service as a director, an employee or consultant, as the case may be, at any time, subject to applicable law; the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the Shares underlying the Options; and (x) no claim or entitlement to compensation or damages arises if the value of the Options or the underlying Shares decreases and in consideration for the grant of the Options you irrevocably release the Company from any claim or entitlement to compensation or damages that does arise in connection with the Options.

24. **Data Privacy Consent.** *For purposes of the implementation, administration and management of the Options and the Plan or the effectuation of any acquisition, equity or debt financing, joint venture, merger, reorganization, consolidation,*

recapitalization, business combination, liquidation, dissolution, share exchange, sale of stock, sale of material assets or other similar corporate transaction involving the Company (a "Corporate Transaction"), you explicitly and unambiguously consent, by accepting the Notice, 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 or any potential party to a potential Corporate Transaction. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social insurance number, tax identification number, date of birth, nationality, job title or duties, salary and payroll location, data for tax withholding purposes and Options awarded, cancelled, vested and unvested) is held by the Company and may be transferred to any broker designated by the Committee or third parties assisting in the implementation, administration and management of the Options or the Plan or the effectuation of a Corporate Transaction and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data, in electronic or other form, by the recipient(s) for these purposes. 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 personal data will be held only as long as is necessary to implement, administer and manage the Options or Plan or effect a Corporate Transaction. You understand that, to the extent required by applicable law, 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 in the Baltimore, Maryland – Pratt Street office. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an award of Options or otherwise participate in the Plan.

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 previously, now or hereafter existing, in which the Company, directly or indirectly, at the relevant time 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) “**Cause**” means: (i) your plea of guilty or *nolo contendere* (or a similar plea) to, or conviction of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of the Company, as determined by the Committee in its sole discretion, or that legally prohibits you from working for the Company; (ii) your breach of a regulatory rule that adversely affects your ability to perform your employment duties to the Company in any material respect; or (iii) your failure, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of the Company, (C) follow reasonable directions received from the Company or (D) comply with covenants contained in any contract with the Company to which you are a party; provided, however, that you shall be provided a written notice describing in reasonable detail the facts which are considered to give rise to a breach described in this clause (iii) and you shall have 30 days following receipt of such written notice during which you may remedy the condition and, if so remedied, no Cause for Termination of Service shall exist.

(d) “**Change in Control**” has the meaning ascribed to such term in the Plan.

(e) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the Treasury Regulations thereunder and other relevant interpretive guidance issued by the Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor section, regulations and guidance.

(f) “**Committee**” means the Executive Compensation Committee, or such other committee(s) or officer(s) duly appointed by the Board or the Executive Compensation Committee to administer the Plan or delegated limited authority to perform administrative actions under the Plan, and having such powers as shall be specified by the Board or the Executive Compensation Committee; provided, however, that at any time the Board may serve as the Committee in lieu of or in addition to the Executive Compensation Committee or such other committee(s) or officer(s) to whom administrative authority has been delegated.

(g) “**Common Stock**” means shares of common stock of T. Rowe Price Group, Inc., par value twenty cents (\$0.20) per share and any capital securities into which they are converted.

(h) “**Company**” means T. Rowe Price Group, Inc. and its Affiliates and successors, 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.

(i) “**Corporate Transaction**” means the consummation of a reorganization, merger, tender offer, share exchange, consolidation or other business combination, acquisition of Price Group equity securities, or sale or other disposition of all or substantially all of the assets of Price Group or the acquisition of assets of another entity.

(j) “**Credited Service**” means the sum of the period(s) during which you are in Service with the Company plus any period of service that may be allocated to you by the Committee, in its sole discretion, in writing for periods during which you were not employed with the Company but you were engaged in activities through which you gained relevant industry experience, as determined in the Committee’s discretion.

(k) “**Executive Compensation Committee**” means the Executive Compensation Committee of the Board of Directors of T. Rowe Price Group, Inc.

(l) “**Expiration Date**” means the date set forth on the Notice indicating when the Options expire if not sooner exercised, forfeited or otherwise terminated.

(m) “**Fair Market Value**” means, as of any date, unless otherwise determined by the Committee, the official closing price per share of Common Stock for the regular market session on that date on the principal exchange or market on which the Common Stock is then listed or admitted to trading or, if no sale is reported for that date, on the last preceding day on which a sale was reported, all as reported by such source as the Committee may select.

(n) “**Good Reason**” means, during the 18-month period following a Change in Control, actions taken by the Company or any successor corporation or other entity in a Corporate Transaction resulting in a material negative change in your employment relationship in one or more of the following ways:

(i) the assignment to you of duties materially inconsistent with your position (including offices, titles and reporting requirements), authority, duties or responsibilities, or a material diminution in such position, authority, duties or responsibilities, in each case from those in effect immediately prior to the Change in Control;

(ii) a material reduction of your aggregate annual compensation, including, without limitation, base salary and annual bonus and incentive compensation opportunity, from that in effect immediately prior to the Change in Control; or

(iii) a change in your principal place of employment that increases your commute by 75 or more miles as compared to your commute immediately prior to the Change in Control.

In order to invoke a Termination of Service for Good Reason, you must provide written notice to the Company or any successor corporation or other entity in a Corporate Transaction with respect to which you are employed or providing services (as applicable, the “**Service Recipient**”) of the existence of one or more of the conditions constituting Good Reason within 90 days following your knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason, and the Service Recipient shall have 30 days following receipt of such written notice (the “**Cure Period**”) during

which it may remedy the condition. In the event that the Service Recipient fails to remedy the condition constituting Good Reason during the applicable Cure Period, your Termination of Service must occur, if at all, within 90 days following the expiration of such Cure Period in order for such termination as a result of such condition to constitute a Termination of Service for Good Reason.

(o) “**Grant Date**” means the date set forth on the Notice indicating when the grant of Options was approved by the Committee.

(p) “**Notice**” means the Notice of Grant of Stock Option Award which correlates with these Terms and sets forth the specifics of the applicable award of Options.

(q) “**Option**” means a right to purchase a specified number of shares of Common Stock from Price Group at a specified price during a specified period of time after the right becomes exercisable. Each Option represents a contractual obligation of the Company to deliver one share of Common Stock to the option holder upon due exercise of the Option.

(r) “**Plan**” means the T. Rowe Price Group, Inc. 2012 Long-Term Incentive Plan.

(s) “**Price Group**” means T. Rowe Price Group, Inc.

(t) “**Service**” means your employment with the Company. Your Service will be considered to have ceased with the 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 its successor or an Affiliate of T. Rowe Price Group, Inc. or its successor.

(u) “**Termination of Service**” means the termination of your employment with the Company. Temporary absences from employment because of illness, vacation or leave of absence and transfers among entities which comprise the Company, including all Affiliates, shall not be considered Terminations of Service; provided, however, that the Committee has discretion to determine that a Termination of Service has occurred if, for six continuous months, you are absent or otherwise unable for any reason to perform substantially all the essential duties of your position, as determined by the Committee. The Committee has discretion to determine the date upon which you incur a Termination of Service.

(v) “**Terms**” mean this Statement of Additional Terms Regarding Awards of Stock Options.

(w) “**Total and Permanent Disability**” means that you are (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until your death or result in death, or (ii) determined to be totally disabled by the Social Security Administration or other governmental or quasi-governmental body that administers a comparable social insurance program outside of the United States in which you participate and which conditions the right to receive benefits under such program on your being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last until your death or result in death. The Committee may require such medical or other evidence as it deems necessary to judge the nature and permanency of your condition.

(x) "**Withholding Taxes**" means any foreign (non-United States), federal, state and local taxes and social insurance contributions required by law to be withheld which arise in connection with the Options.

(y) "**You**"; "**Your**". You means the recipient of the Options 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 Options 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}

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. 333-90967, No. 333-59714, No. 333-120882, No. 333-120883, No. 333-142092, No. 333-167317,
and 333-180904.

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated July 25, 2012 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 25, 2012

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, 2012, 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 25, 2012

/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, 2012, 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 25, 2012

/s/ Kenneth V. Moreland

Vice President, Chief Financial Officer and Treasurer

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, 2012, 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 25, 2012

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

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

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 2012 RESULTS

BALTIMORE (July 25, 2012) – T. Rowe Price Group, Inc. (NASDAQ-GS: TROW) today reported its second quarter of 2012 results, including net revenues of \$736.8 million, net income of \$206.8 million, and diluted earnings per common share of \$.79. In the second quarter of 2011, net revenues were \$713.7 million, net income was \$204.7 million, and diluted earnings per common share was \$.76.

Investment advisory revenues for the second quarter of 2012 increased \$18.3 million to \$630.0 million from the comparable 2011 period, as average assets under management were up \$23.4 billion, or 4.5%. Assets under management at June 30, 2012 totaled \$541.7 billion, a decrease of \$13.1 billion from \$554.8 billion at March 31, 2012. Net cash inflows in the second quarter of 2012 of \$4.7 billion, including \$2.8 billion originating in the target-date retirement portfolios, were more than offset by \$17.8 billion in market depreciation.

At June 30, 2012, assets under management include \$321.7 billion in T. Rowe Price mutual funds distributed in the United States, and \$220.0 billion in other managed investment portfolios. The firm's target-date retirement portfolios had assets under management at June 30, 2012 of \$79.0 billion, including \$71.2 billion in target-date retirement funds and \$7.8 billion in target-date retirement trusts.

Results for the first half of 2012 include net revenues of nearly \$1.5 billion, net income of \$404.3 million, and diluted earnings per common share of \$1.54, an increase of 3% from the \$1.49 per share in the first half of 2011. Net cash inflows of \$17.1 billion and market appreciation and income of \$35.1 billion increased assets under management \$52.2 billion, or nearly 11%, from \$489.5 billion at the end of 2011.

From an investment performance standpoint, 73% of the T. Rowe Price mutual funds across their share classes outperformed their comparable Lipper averages on a total return basis for the three-year period ended June 30, 2012, 85% outperformed for the five-year period, 77% outperformed for the 10-year period, and 69% outperformed 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 74% of the firm's rated funds' assets under management. The firm's target-date retirement funds – which are designed to provide straight-forward investment and retirement planning solutions for clients – continue to deliver very attractive long-term performance, with at least 92% of these funds outperforming their comparable Lipper averages on a total return basis for the three- and five-year periods ended June 30, 2012.

Financial Highlights

Investment advisory revenues earned in the second quarter of 2012 from the T. Rowe Price mutual funds distributed in the United States were \$434.3 million, an increase of \$16.2 million, or 4%, from the comparable 2011 quarter. Average mutual fund assets under management in the second quarter of 2012 were \$318.3 billion, an increase of 5% from the average for the second quarter of 2011. Money market advisory fees voluntarily waived by the firm to maintain positive yields for fund investors in the second quarter of 2012 were \$7.8 million compared with \$8.3 million in the comparable 2011 quarter. During the first half of 2012, the firm waived \$16.6 million in such fees, an increase of \$1.3 million from the similar 2011 period.

Mutual fund assets at June 30, 2012 were \$321.7 billion, a decrease of \$3.7 billion from March 31, 2012. Net cash inflows during the second quarter of 2012 were \$6.3 billion, including \$5.3 billion into the stock and blended asset funds and \$1.2 billion into the bond funds. The money market funds had net outflows of \$2 billion. Lower market valuations decreased mutual fund assets under management by \$10.0 billion during the second quarter of 2012.

Investment advisory revenues earned in the second quarter of 2012 on the other investment portfolios increased \$2.1 million compared to the 2011 quarter to \$195.7 million, as average assets under management increased \$7.7 billion, or nearly 4%, to \$220.0 billion. Assets under management in these portfolios at June 30, 2012 were \$220.0 billion, a decrease of \$9.4 billion from March 31, 2012. Decreases in market valuations lowered assets in these portfolios by \$7.8 billion during the second quarter of 2012. Net cash outflows of \$1.6 billion in the quarter were primarily from institutional investors outside the United States. While net cash flows from the firm's institutional channel over the long-term have been strong, they are typically more variable over shorter periods, meaning some individual quarters can be much stronger or weaker than others. Investors domiciled outside the United States accounted for 10% of the firm's assets under management at June 30, 2012.

Operating expenses were \$408.8 million in the second quarter of 2012, up \$21.7 million from the 2011 quarter due primarily to increases in compensation and related costs, depreciation and amortization expense, and occupancy and facility costs. Higher compensation and related costs of \$12.7 million are primarily attributable to an increase in the firm's number of associates, base salaries and variable compensation, and the costs of employee benefits. The firm has increased its average staff size by 2.3% from the second quarter of 2011, and employed 5,265 associates at June 30, 2012.

Advertising and promotion expenditures were \$19.8 million in the second quarter of 2012 compared to \$20.6 million in the comparable 2011 period. The firm currently expects that its advertising and promotion expenditures for the second half of 2012 will be similar to 2011 levels. The firm varies its level of spending based on market conditions and investor demand as well as its efforts to expand its investor base in the United States and abroad.

Occupancy and facility costs together with depreciation and amortization expense were \$51.3 million in the second quarter of 2012, up \$4.5 million compared to the second quarter of 2011. The change includes the added costs incurred to expand our facilities around the world as well as update our technology capabilities, including related maintenance programs, to meet increasing business demands.

Other operating expenses were \$52.5 million in the second quarter of 2012, an increase of \$2.8 million from the comparable 2011 period. The increase is primarily attributable to the reclassification of \$5.0 million in certain third-party servicing costs that were previously reported as reductions of advisory and administrative fee revenues in the second quarter of 2011.

The provision for income taxes as a percentage of pretax income for the second quarter of 2012 is 38.3%. The firm currently estimates its effective rate for 2012 will be 38.4%.

T. Rowe Price remains debt-free with ample liquidity, including cash and mutual fund investment holdings of \$1.9 billion. During the second quarter of 2012, the firm expended \$129.2 million to repurchase 2.2 million shares of its common stock. The firm has invested \$36.6 million in capitalized technology and facilities during the first half of 2012, and expects that total capital expenditures for property and equipment to be about \$100 million in 2012. These cash expenditures are being funded from operating resources.

Management Commentary

James A.C. Kennedy, the company's chief executive officer and president, commented: "Early in 2012, evidence supported the view that the U.S. economy was beginning to gain self-sustaining momentum, the Chinese economic slow down would likely be limited, and the European debt crisis was starting to be addressed. In contrast, more recent news has called all three of these trends into question. There is now rising concern about how long it might take to decide upon and implement a long-term solution in Europe. There is also considerable doubt about the willingness of politicians on this side of the Atlantic to rise above politics, especially in an election year, to make the decisions needed to address U.S. fiscal issues. The renewed political and economic uncertainties have led to another round of retrenchment by consumers and corporations around the globe, as well as by investors.

"Although investors remain cautious, we encourage them to look beyond the headlines and focus on the longer-term. Corporate balance sheets remain healthy, the U.S. housing market is showing signs of improvement, and stock valuations are generally reasonable. Although there are no easy choices for income-oriented investors, yields on certain riskier fixed income securities remain attractive given economic expectations and near record-low yields for U.S. Treasuries.

"While client cash flows across our diversified distribution channels may vary, we are pleased that in today's volatile environment our strong long-term performance and investment solutions, such as our target-date retirement portfolios, continue to provide value to clients and generate healthy net inflows overall. Just as Thomas Rowe Price, Jr. did when he started the firm 75 years ago, we remain driven to perform for our clients. Over time, we are confident that this approach to managing the firm will also continue to create enduring value for 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 2012 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, 2012.

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, 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 2011 Form 10-K report.

Founded in 1937, Baltimore-based T. Rowe Price (troweprice.com) is a global investment management organization that provides a broad array of mutual funds, subadvisory 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.

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

	Three months ended		Six months ended	
	6/30/2011	6/30/2012	6/30/2011	6/30/2012
Revenues				
Investment advisory fees	\$ 611.7	\$ 630.0	\$1,200.5	\$1,253.0
Administrative fees	80.2	82.7	160.6	165.6
Distribution and servicing fees	21.2	23.7	33.9	45.9
Net revenue of savings bank subsidiary	0.6	0.4	1.1	1.0
Net revenues	<u>713.7</u>	<u>736.8</u>	<u>1,396.1</u>	<u>1,465.5</u>
Operating expenses				
Compensation and related costs	248.8	261.5	491.7	522.2
Advertising and promotion	20.6	19.8	46.0	45.6
Distribution and servicing costs	21.2	23.7	33.9	45.9
Depreciation and amortization of property and equipment	17.9	19.9	34.5	39.0
Occupancy and facility costs	28.9	31.4	56.6	61.5
Other operating expenses	49.7	52.5	95.3	107.1
Total operating expenses	<u>387.1</u>	<u>408.8</u>	<u>758.0</u>	<u>821.3</u>
Net operating income	326.6	328.0	638.1	644.2
Non-operating investment income	5.6	7.4	9.5	12.5
Income before income taxes	332.2	335.4	647.6	656.7
Provision for income taxes	127.5	128.6	248.3	252.4
Net income	<u>\$ 204.7</u>	<u>\$ 206.8</u>	<u>\$ 399.3</u>	<u>\$ 404.3</u>
Net income allocated to common stockholders				
Net income	\$ 204.7	\$ 206.8	\$ 399.3	\$ 404.3
Less: net income allocated to outstanding restricted stock and stock unit holders	(0.9)	(1.2)	(1.7)	(2.2)
Net income allocated to common stockholders	<u>\$ 203.8</u>	<u>\$ 205.6</u>	<u>\$ 397.6</u>	<u>\$ 402.1</u>
Earnings per share on common stock				
Basic	<u>\$.79</u>	<u>\$.81</u>	<u>\$ 1.54</u>	<u>\$ 1.59</u>
Diluted	<u>\$.76</u>	<u>\$.79</u>	<u>\$ 1.49</u>	<u>\$ 1.54</u>
Dividends declared per share	<u>\$.31</u>	<u>\$.34</u>	<u>\$.62</u>	<u>\$.68</u>
Weighted average common shares				
Outstanding	<u>258.0</u>	<u>253.4</u>	<u>258.3</u>	<u>253.2</u>
Outstanding assuming dilution	<u>266.7</u>	<u>260.6</u>	<u>267.6</u>	<u>260.8</u>

	Three months ended		Six months ended	
	6/30/2011	6/30/2012	6/30/2011	6/30/2012
Investment Advisory Revenues (in millions)				
Sponsored mutual funds in the U.S.				
Stock and blended asset	\$ 341.2	\$ 347.4	\$ 668.2	\$ 691.5
Bond and money market	76.9	86.9	150.4	168.7
	418.1	434.3	818.6	860.2
Other portfolios				
Stock and blended asset	160.8	154.5	315.6	311.9
Bond, money market and stable value	32.8	41.2	66.3	80.9
	193.6	195.7	381.9	392.8
Total	\$ 611.7	\$ 630.0	\$ 1,200.5	\$ 1,253.0
Average Assets Under Management (in billions)				
Sponsored mutual funds in the U.S.				
Stock and blended asset	\$ 228.0	\$ 234.7	\$ 224.4	\$ 233.4
Bond and money market	74.6	83.6	72.9	82.0
	302.6	318.3	297.3	315.4
Other portfolios				
Stock and blended asset	157.8	155.5	156.2	155.7
Bond, money market and stable value	54.5	64.5	53.2	63.2
	212.3	220.0	209.4	218.9
Total	\$ 514.9	\$ 538.3	\$ 506.7	\$ 534.3
			12/31/2011	6/30/2012
Assets Under Management (in billions)				
Sponsored mutual funds in the U.S.				
Stock and blended asset			\$ 211.7	\$ 237.8
Bond and money market			77.7	83.9
			289.4	321.7
Other portfolios				
Stock and blended asset			140.7	155.2
Bond, money market and stable value			59.4	64.8
			200.1	220.0
Total			\$ 489.5	\$ 541.7
Stock and blended asset portfolios			\$ 352.4	\$ 393.0
Fixed income portfolios			137.1	148.7
Total			\$ 489.5	\$ 541.7
			12/31/2011	6/30/2012
Condensed Consolidated Cash Flows Information (in millions)				
			6/30/2011	6/30/2012
Cash provided by operating activities, including \$50.0 of stock-based compensation in 2012			\$ 610.5	\$ 494.5
Cash used in investing activities, including (\$36.6) for additions to property and equipment and (\$155.9) for net sponsored mutual fund investments in 2012			(66.4)	(174.7)
Cash used in financing activities, including common stock repurchases of (\$129.2) and dividends paid of (\$173.1) in 2012			(334.5)	(245.4)
Net change in cash during the period			\$ 209.6	\$ 74.4
			12/31/2011	6/30/2012
Condensed Consolidated Balance Sheet Information (in millions)				
Cash and cash equivalents			\$ 897.9	\$ 972.3
Accounts receivable			304.5	324.2
Investments in sponsored mutual funds			764.5	961.2
Property and equipment			567.4	564.4
Goodwill			665.7	665.7
Debt securities held by savings bank subsidiary, other investments and other assets			570.3	629.1
Total assets			3,770.3	4,116.9
Total liabilities			349.6	459.1
Stockholders' equity, 253.7 common shares outstanding in 2012, including net unrealized holding gains of \$131.2 in 2012			\$ 3,420.7	\$ 3,657.8