

**T. ROWE PRICE GROUP, INC.
BOARD COMMITTEE CHARTER**

EXECUTIVE COMPENSATION COMMITTEE

The Executive Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of T. Rowe Price Group, Inc. (the “**Corporation**”) has the responsibilities, authority and duties described in this Charter.

Purpose

The Committee has the responsibility and authority to supervise and review the affairs of the Corporation as they relate to the compensation of the chief executive officer and other executive officers of the Corporation, compensation policies and plans and general salary and incentive compensation levels for other senior officers, and the Corporation’s incentive and stock compensation plans.

Composition

Each member of the Committee shall be “independent” as defined by The Nasdaq Stock Market, Inc., the Corporation’s Corporate Governance Guidelines and applicable law. In addition, at least two members of the Committee (such members, the “**Outside Directors**”) shall also be (i) “outside directors” within the meaning of §162(m) of the Internal Revenue Code of 1986, as amended (“**§162(m)**”); and (ii) “non-employee directors” within the meaning of Rule 16b-3 (“**Rule 16b-3**”) under the Securities Exchange Act of 1934, as amended. The Board shall designate one member as Committee Chairperson. To the extent necessary to comply with §162(m) or Rule 16b-3, the Outside Directors, acting as a subcommittee, shall have authority to act on behalf of the Committee.

Meetings

The Committee shall hold meetings at least twice each year, and shall hold such additional meetings as deemed necessary or desirable by the Chairperson of the Committee and as may be required to perform the functions described under “Duties and Powers” below.

Duties and Powers

The following shall be the principal recurring functions of the Committee in carrying out its responsibilities. The functions are set forth as a guide with the understanding that the Committee may modify or supplement them as appropriate.

- Determine the compensation of the chief executive officer and the other executive officers of the Corporation;
- Review and approve the compensation policies and general levels of compensation for the Corporation’s remaining senior officers, for whom individual compensation determinations shall be made by a management-level compensation committee;

- Administer the Corporation's stock option, stock incentive, and other stock compensation plans as required by Rule 16b-3;
- Administer the Corporation's Annual Incentive Compensation Pool as required by §162(m);
- Assist management in developing, and, when appropriate, recommending to the Board, the design of compensation policies and plans;
- Prepare any report required by the rules of the Securities and Exchange Commission to be included in the Corporation's annual proxy statement;
- Report to the Board on the Committee's activities on a regular basis.

The Committee has delegated compensation decisions for non-executive officers, including the establishment of specific salary and incentive compensation levels and certain matters relating to stock-based compensation, to a management-level committee comprised of officers of the Corporation.

Resources and Authority

The Committee shall have the resources and authority appropriate to discharge its responsibilities, including sole authority to retain and terminate compensation consultants, special counsel, and other experts or consultants. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such advisors.

Annual Review

The Committee shall review on at least an annual basis (i) this Charter and the scope of responsibilities of this Committee and (ii) the Committee's performance of its duties. Any proposed changes to this Charter or the Committee's scope of responsibilities, where indicated, shall be referred to the Board for appropriate action.

Operating Procedures

Formal actions to be taken by the Committee shall be by unanimous written consent or by a majority of the persons present (in person or by conference telephone) at a meeting at which a quorum is present. A quorum shall consist of at least 50% of the members of the Committee.

Adopted: April 26, 2005