

LEGG MASON, INC.
Form DEF 14A
June 12, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

LEGG MASON, INC.

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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100 International Drive

Baltimore, Maryland 21202

June 12, 2013

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders which will be held at the Company's headquarters located at 100 International Drive, 4th Floor Conference Center, Baltimore, Maryland at 10:00 a.m. on Tuesday, July 23, 2013. On the following pages, you will find the Notice of Annual Meeting and Proxy Statement.

Whether or not you plan to attend, it is important that your shares be represented and voted at the meeting. Please grant a proxy to vote your shares in one of three ways: via the Internet, telephone or mail.

We hope that you will attend the meeting, and we look forward to seeing you there.

Sincerely,

W. ALLEN REED
Chairman

JOSEPH A. SULLIVAN
*President and
Chief Executive Officer*

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Tuesday, July 23, 2013

To the Stockholders of

LEGG MASON, INC.:

The Annual Meeting of Stockholders of Legg Mason, Inc., a Maryland corporation, will be held at the Company's headquarters located at 100 International Drive, 4th Floor Conference Center, Baltimore, Maryland, on Tuesday, July 23, 2013 at 10:00 a.m. to consider and vote upon:

- (1) The election of six directors for the one-year term ending in 2014;
- (2) Amendment to the Legg Mason, Inc. Non-Employee Director Equity Plan;
- (3) An advisory vote to approve the compensation of the Company's named executive officers;
- (4) Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2014; and
- (5) Any other matter that may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on May 23, 2013, as the date for determining stockholders of record entitled to notice of and to vote at the Annual Meeting.

This year, we will again reduce our mailing and printing costs by taking advantage of Securities and Exchange Commission rules that allow us to provide proxy materials to you over the Internet. On or about June 12, 2013, we will mail to our stockholders a Notice of Internet Availability of Proxy Materials (Notice) containing instructions on how to access this Proxy Statement and our 2013 Annual Report online. The Notice also provides instructions on how to vote via the Internet or by telephone and how to request a paper copy of the proxy materials, if you so desire. Whether you receive the Notice or paper copies of our proxy materials, the Proxy Statement and 2013 Annual Report are available to you at <http://ir.leggmason.com/docs.aspx?iid=102761>.

Your attention is directed to the accompanying Proxy Statement and 2013 Annual Report to Stockholders.

By order of the Board of Directors,

THOMAS C. MERCHANT

Secretary

June 12, 2013

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**100 International Drive
Baltimore, Maryland 21202**

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

Tuesday, July 23, 2013

The Board of Directors of Legg Mason, Inc. is soliciting proxies from our stockholders. If you grant a proxy, you may revoke it at any time before we exercise it. We are soliciting proxies by mail and MacKenzie Partners, our proxy solicitors, and our officers, directors and other employees may also solicit proxies by telephone or any other means of communication. We will bear the cost of soliciting proxies, including a fee of \$15,000, plus expenses, paid to MacKenzie Partners for their services. We may reimburse brokers, banks, custodians, nominees and other fiduciaries for their reasonable out-of-pocket expenses in forwarding the Notice of Internet Availability of Proxy Materials and other proxy materials to their principals.

In accordance with rules and regulations of the U.S. Securities and Exchange Commission (SEC), instead of mailing a printed copy of our proxy materials to each stockholder of record or beneficial owner, we are furnishing proxy materials, which include this Proxy Statement, to our stockholders over the Internet. If you have received a Notice of Internet Availability of Proxy Materials (Notice) by mail, you will not receive a printed copy of the proxy materials. Instead, the Notice will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice also provides instructions as to how you may submit your proxy over the Internet or by telephone. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions in the Notice for requesting the materials.

It is anticipated that the Notice will be available to stockholders on June 12, 2013.

To be entitled to notice of and to vote at the meeting, you must have been a stockholder of record at the close of business on May 23, 2013. As of the close of business on that date, we had outstanding and entitled to vote 125,101,822 shares of our common stock, \$.10 par value, each of which is entitled to one vote.

If you hold shares in your name as a holder of record, you may vote your shares in one of four ways:

By Internet: go to www.voteproxy.com and follow the instructions. You will need your Notice or proxy card to vote your shares this way.

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By telephone: call 1.800.PROXIES (1-800-776-9437) and follow the voice prompts. You will need your Notice or proxy card to vote your shares this way.

By mail: request a paper proxy card in accordance with the instructions contained in the Notice and then complete, sign and date the proxy card and return it so that it is received by 11:59 p.m. EDT on July 22, 2013.

In person: if you are a stockholder as of May 23, 2013, you may vote in person at the meeting. Submitting a proxy will not prevent a stockholder from attending the Annual Meeting.

If you hold your shares through a securities broker or nominee (in street name), you may vote your shares by proxy in the manner described in the Notice provided to you by that broker or nominee.

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We must have a quorum of stockholders (at least 50% of all stockholders) present at the meeting either in person or represented by proxy in order for any business to be conducted. If a quorum of stockholders is present at the meeting, the following voting requirements will apply:

Directors are elected by the vote of a majority of the total votes cast for and affirmatively withheld by the stockholders present in person or represented by proxy at the meeting. Abstentions and broker non-votes will not affect the majority vote for the election of directors. If an incumbent nominee is not elected by the requisite vote, he or she must tender a resignation and the Board of Directors, through a process managed by the Nominating & Corporate Governance Committee, will decide whether to accept the resignation. The Board of Directors will publicly disclose its decision within 90 days after the results of the election are certified.

The amendment to the Legg Mason, Inc. Non-Employee Director Equity Plan will be approved if it receives the affirmative vote of a majority of the votes cast on the proposal and the total votes cast on the proposal represent over 50% of all securities entitled to vote on the proposal. Therefore, if holders of more than 50% in interest of all securities entitled to vote on the proposal cast votes, abstentions and broker non-votes will not have any effect on the result of the vote. On the other hand, if holders of less than 50% in interest of all securities entitled to vote on the proposal cast votes, abstentions and broker non-votes will have the effect of a vote against the proposal.

The advisory vote to approve the compensation of our named executive officers requires the affirmative vote of a majority of the total votes cast on this proposal. Abstentions and broker non-votes are not considered votes cast and will not affect the outcome of this proposal. The vote on this proposal is advisory only and not binding on the company.

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ELECTION OF DIRECTORS

Our Board of Directors is currently classified. At the 2011 Annual Meeting, our stockholders approved an amendment to our Articles of Incorporation that provides for the phased-in declassification of our Board of Directors. Commencing with the 2014 Annual Meeting, all directors will be elected to one-year terms. In accordance with the phased-in declassification of the Board of Directors, our stockholders will vote at this Annual Meeting for the election of six directors for the one-year term expiring at the Annual Meeting of Stockholders in 2014.

All nominees presently serve as directors. Our Board of Directors appointed Joseph A. Sullivan as President, Chief Executive Officer and a member of the Board of Directors on February 12, 2013. Dennis M. Kass was elected to serve as a director effective April 1, 2013 to fill a vacancy on the Board and John V. Murphy and John H. Myers were elected to serve as directors effective June 5, 2013 to fill vacancies on the Board. Messrs. Sullivan, Kass, Murphy and Myers were assigned to the class of directors whose term expires in 2013. Under Maryland law, Messrs. Sullivan, Kass, Murphy and Myers must be elected by stockholders at this Annual Meeting in order to continue serving as directors. Unless a stockholder withholds authority to vote, the persons named in the proxy will vote for the election of the nominees named. If any nominee is unable to serve, the persons named in the proxy may vote for a substitute nominee that they determine. Our Board of Directors has no reason to believe that any nominee will be unable to serve.

Nicholas St. George has been a director of Legg Mason since July 1983 and Dennis Beresford has been a director of Legg Mason since September 2002. Both directors will continue to serve until the 2013 Annual Meeting of Stockholders when their terms expire. We have been fortunate to have benefited from their perspective and expertise with respect to broad economic, financial and market issues over the years. We have greatly valued and thank them for their outstanding contributions to our success.

**The Board of Directors recommends a vote FOR the
election of each nominated director.**

Nominees for Director for the Term Expiring in 2014

Dennis M. Kass, age 62, has been a director of Legg Mason since April 2013. Mr. Kass retired in 2012 as Chairman and Chief Executive Officer of Jennison Associates, an asset management company wholly-owned by Prudential Financial, Inc., having served in that position since 2003. Previously, he had spent more than a decade with JP Morgan's investment management unit, culminating in the position of Vice Chairman of JP Morgan Fleming Asset Management. Mr. Kass served in the Reagan Administration from 1985 to 1987 as the Assistant Secretary of Labor for Pension and Welfare Benefits and was a Special Assistant to the President for Policy Development from 1981 to 1982. Mr. Kass is the Vice Chairman and a Senior Advisor at Ridgeway Partners, an executive search firm. He is a trustee of the Financial Accounting Foundation, serves on the Advisory Board for Finance and the Global Executive Board for M.I.T.'s Sloan School of Management, and is on the board of the not-for-profit buildOn. Mr. Kass was one of a number of candidates recommended to the Nominating & Corporate Governance Committee by a director search firm hired by the committee.

Mr. Kass's qualifications to serve on our Board include the knowledge and experience gained in the combination of more than 20 years of asset management experience and his public service in the Reagan Administration. In addition, he gained extensive leadership experience serving as the Chief Executive Officer of Jennison Associates and serving on various boards.

John V. Murphy, age 63, has been a director of Legg Mason since June 2013 and is currently engaged in private investment activities. Mr. Murphy was employed by Korn/Ferry International, an executive search firm, from 2010 to 2012. From 2000 to 2009, Mr. Murphy was employed in various senior positions with OppenheimerFunds Inc., an asset management firm, including Chairman, President and Chief Executive Officer. He also served as a director of over 60 mutual funds in the OppenheimerFunds complex. Prior to joining

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Oppenheimer, he spent eight years with MassMutual Financial Group, Oppenheimer's parent company, in a variety of senior roles. Before that, he was a founding principal of Liberty Financial Companies Inc., an investment management firm. He began his career at Arthur Andersen & Co. in 1972 as an accountant.

Mr. Murphy's qualifications to serve on our Board include the knowledge, leadership and experience gained in over 30 years of experience working in the investment management business and as a Chairman, President and Chief Executive Officer of a large, complex asset management organization. In addition, he gained extensive industry and leadership experience by serving as Chairman and as a member of the Executive Committee and the Board of Governors of the Investment Company Institute. Mr. Murphy was one of a number of candidates recommended to the Nominating & Corporate Governance Committee by a director search firm hired by the committee.

John H. Myers, age 67, has been a director of Legg Mason since June 2013. Mr. Myers has been a senior advisor to Angelo, Gordon & Co., an investment advisor, since 2006. In 2006, he retired from his role as President and Chief Executive Officer of GE Asset Management, an institutional asset management subsidiary of General Electric Company, after spending almost a decade in that role and a total of almost 40 years in various management positions at the General Electric Company.

Mr. Myers' qualifications to serve on our Board include the knowledge and experience gained in almost four decades with General Electric, including almost two decades in the asset management business at GE Asset Management. In addition, he gained extensive leadership experience serving as President and Chief Executive Officer of GE Asset Management and serving as a former director of two public companies. Mr. Myers was one of a number of candidates recommended to the Nominating & Corporate Governance Committee by a director search firm hired by the committee.

Nelson Peltz, age 70, has been a director of Legg Mason since October 2009. Mr. Peltz has served as the Chief Executive Officer and a founding partner of Trian Fund Management, L.P. ("Trian"), a management company for various investment funds and accounts, since its formation in 2005. From April 1993 through June 2007, Mr. Peltz served as Chairman and Chief Executive Officer of Triarc Companies, Inc., which, during that period, owned Arby's Restaurant Group, Inc. and Snapple Beverage Group, as well as other consumer and industrial businesses. Mr. Peltz has served as the non-executive Chairman of The Wendy's Company, Inc. since June 2007 and as a director of H.J. Heinz Company since September 2006 and Ingersoll-Rand plc since August 2012. Mr. Peltz served as a director of Trian Acquisition I Corp. from October 2007 to January 2010. Mr. Peltz was initially nominated to serve on the Board pursuant to an agreement with Trian, funds managed by Trian and certain of its affiliates (the "Trian Agreement").

Mr. Peltz's qualifications to serve on our Board include more than 40 years of business and investment experience and 20 years of service as the Chairman and Chief Executive Officer of public companies. Mr. Peltz has developed extensive experience working with management teams and boards of directors, and in acquiring, investing in and building companies and implementing operational improvements at the companies with which he has been involved. As a result, he has strong operating experience and strategic planning skills and has strong relationships with institutional investors, investment banking and capital markets advisors and others that can be drawn upon for the company's benefit.

W. Allen Reed, age 66, has been a director of Legg Mason since April 2006 and non-executive Chairman since September 2012. From January 2006 to March 2006, Mr. Reed served as Chairman of the Board of General Motors Asset Management Corporation ("GMAMC"), the investment management subsidiary of General Motors Corporation, where he served as Vice President until March 2006. He also served as Chairman of the Board and Chief Executive Officer of General Motors Trust Bank, N.A. until March 2006; as Chief Executive Officer and President of GMAMC and General Motors Investment Management Corporation until December 2005; and as Chairman of the Board and Chief Executive Officer of General Motors Trust Company until March 2006. Mr. Reed served as Senior Advisor to Aetos Capital from 2006 to 2011, as a director of Temple-Inland Industries from 2000 to February 2012 and as a director of General Motors Acceptance Corp from September 1994 to

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March 2006. Mr. Reed has also served as a director of numerous mutual funds (101 as of December 31, 2012) in the Morgan Stanley mutual funds complex since 2006, and a Chairman of the Investment Committee of the Auburn University Foundation Fund since 2012.

Mr. Reed's qualifications to serve on our Board include his extensive financial and leadership experience serving as a financial officer at Delta Airlines, Hughes Electronics and General Motors, including serving as the Chairman, President and Chief Executive Officer of GMAMC, Chairman and Chief Executive Officer of the General Motors Trust Bank, and Vice President of General Motors Corporation. Mr. Reed's experience includes running the largest corporate defined benefit fund in the United States at General Motors Corporation. He currently holds the Chartered Financial Analyst designation.

Joseph A. Sullivan, age 55, has been a director of Legg Mason since February 2013. Mr. Sullivan was elected President, Chief Executive Officer and a member of the Board in February 2013. Before being appointed as President and Chief Executive Officer, Mr. Sullivan served as Interim Chief Executive Officer of the company from October 1, 2012 to February 11, 2013. Prior to that, Mr. Sullivan oversaw the global distribution operations of the company. He was elected Senior Executive Vice President of the company in September 2008 and until January 2011 was responsible for overseeing administrative functions as Chief Administrative Officer. From December 2005 to September 2008, he was responsible for overseeing the fixed income capital markets operations of Stifel Nicolaus, a broker-dealer. From 1993 to December 2005, he oversaw the fixed income capital markets operations of Legg Mason Wood Walker, the company's broker-dealer subsidiary that was sold in December 2005. He was recommended to the Nominating & Corporate Governance Committee for consideration as a director candidate of Legg Mason by the special CEO Search Committee of the Board.

Mr. Sullivan's qualifications to serve on our Board include a combination of his personal management skills and professional experience. Mr. Sullivan has more than 30 years of industry experience, including serving as Interim Chief Executive Officer, Head of Global Distribution and Chief Administrative Officer of the company and senior roles at a number of other firms. Mr. Sullivan served on the board of directors of Stifel Financial Corp. from December 2005 to September 2008.

Directors Continuing in Office

Directors whose terms will expire in 2014

Harold L. Adams, age 74, has been a director of Legg Mason since January 1988. He has been the Chairman Emeritus of RTKL Associates, Inc., an international architecture, engineering and planning firm, since April 2003. He has served as a director of Lincoln Electric Holdings, Inc. since 2002 and Commercial Metals Company since 2004.

Mr. Adams' qualifications to serve on our Board include his knowledge and experience gained in over 36 years of service as Chairman, President and Chief Executive Officer of an international architectural firm. Mr. Adams has also served as a leader on U.S. business advisory councils with Korea and China and the Services Policy Advisory Board to the U.S. Trade Negotiator and is Chairman of the Governor's International Advisory Council for the State of Maryland. In these roles, Mr. Adams worked in many major international markets in a myriad of economic climates and cultures. He has also served as the Lead Independent Director of Lincoln Electric Holdings, Inc. since December 2004.

Robert E. Angelica, age 66, has been a director of Legg Mason since February 2007 and is currently engaged in private investment activities. From 1999 through December 2006, Mr. Angelica served as the Chairman and Chief Executive Officer of AT&T Investment Management Corporation (ATTIMCO), an asset management subsidiary of AT&T Inc.

Mr. Angelica's qualifications to serve on our Board include his extensive financial industry knowledge and substantial leadership experience serving as the Chairman and Chief Executive Officer of ATTIMCO, which was responsible for the investment and administration of more than \$80 billion of employee benefit plan assets for

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AT&T Inc. Mr. Angelica's diverse experience includes the development of asset allocation policies and strategies, risk management, selection of external investment managers and trustees, in-house asset management, regulatory compliance and accounting and financial reporting. He was awarded the Chartered Financial Analyst designation.

John T. Cahill, age 56, has been a director of Legg Mason since February 2010. Mr. Cahill has been Executive Chairman of Kraft Foods Group, Inc. (KRAFT) since October 2012, when KRAFT was spun off from Kraft Foods Inc. He served as Executive Chairman of Kraft Foods North America from January to October 2012. He was an Industrial Partner at Ripplewood Holdings LLC, a private equity firm, from 2008 through 2011. From 2002 to 2007, Mr. Cahill was the Chairman of The Pepsi Bottling Group, Inc. (PBG), a bottler of Pepsi-Cola beverages, and served as its Chief Executive Officer from 2001 to 2006; Chief Operating Officer from 2000 to 2001 and Chief Financial Officer and Head of International Operations from 1998 to 2000. Mr. Cahill has served as a director of Colgate-Palmolive Company (Colgate) since November 2005.

Mr. Cahill's qualifications to serve on our Board include his significant financial management, operational and leadership experience gained during his twenty-year career at PBG and PepsiCo Inc. and his experience gained serving as Executive Chairman of KRAFT, and Chairman of Colgate's Audit Committee. Our Board has determined that Mr. Cahill qualifies as an audit committee financial expert under the rules and regulations of the SEC.

Barry W. Huff, age 69, has been a director of Legg Mason since June 2009 and is currently engaged in private consulting. Since his retirement in May 2008 from Deloitte & Touche USA LLP (Deloitte), an accounting firm, until March 2009, Mr. Huff provided consulting services to Deloitte. From 1995 to May 2008, Mr. Huff served as Vice Chairman, Office of the Chief Executive Officer at Deloitte.

Mr. Huff's qualifications to serve on our Board include his substantial accounting and auditing experience and expertise. Mr. Huff served as Deloitte's National Managing Director for their Accounting & Auditing Practice in the United States and Chairman of its Global Accounting & Auditing Committee. Mr. Huff's experience includes risk management activities related to Deloitte's Accounting & Auditing Practice and oversight and advisory services provided to Deloitte's clients in the United States and globally in various industries, including financial services, manufacturing and regulatory. Our Board has determined that Mr. Huff, a certified public accountant, qualifies as an audit committee financial expert under the rules and regulations of the SEC.

John E. Koerner III, age 70, has been a director of Legg Mason since October 1990. Since 1995, he has been the managing member of Koerner Capital, LLC, a private investment company, or the President of its predecessor, Koerner Capital Corporation. Mr. Koerner has been a director of Lamar Advertising Company since 2007 and in February 2012, joined the Board of Directors for IBERIABANK Corporation.

Mr. Koerner's qualifications to serve on our Board include his extensive experience in corporate finance and the management of capital intensive organizations and capital markets activities during his career at Koerner Capital, LLC and as President and co-owner of Barq's, Inc. and its subsidiary, The Delaware Punch Company. Mr. Koerner's experience also includes service as a member of a number of civic boards.

Cheryl Gordon Krongard, age 57, has been a director of Legg Mason since January 2006 and is engaged in private investment activities. Ms. Krongard served as a senior partner of Apollo Management, L.P., a private investment company, from January 2002 to December 2004. From 1994 to 2000, she served as the Chief Executive Officer of Rothschild Asset Management and as Senior Managing Director for Rothschild North America. Additionally, she served as a director of Rothschild North America, Rothschild Asset Management, Rothschild Asset Management BV, and Rothschild Realty Inc. and as Managing Member of Rothschild Recovery Fund. She was elected a lifetime governor of the Iowa State University Foundation in 1997 and has served as Chairperson of its Investment Committee. Ms. Krongard is also a member of the Dean's Advisory Council, Iowa State University College of Business. Ms. Krongard has served as a director of US Airways

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Group Inc. since 2005 where she currently serves on the Compensation and Finance Committees and served as a director of Educate, Inc. from 2004 to 2007.

Ms. Krongard's qualifications to serve on our Board include her asset management expertise and leadership experience serving as a senior executive at large, complex asset management organizations. Ms. Krongard's experience includes strategic planning, new product development, client relations, marketing and public relations within the financial services sector. Our Board has determined that Ms. Krongard qualifies as an audit committee financial expert under the rules and regulations of the SEC.

Margaret Milner Richardson, age 70, has been a director of Legg Mason since November 2003. She is currently engaged in private consulting and investment activities. Ms. Richardson served as a director of Jackson Hewitt Tax Service Inc. from June 2004 through August 2011.

Ms. Richardson's qualifications to serve on our Board include her experience as a partner of Ernst & Young LLP where she served as the National Director of IRS Practice and Procedure and as an advisor to the Foreign Investment Advisory Council in Russia. Ms. Richardson also served as U.S. Commissioner of Internal Revenue. She has been an attorney for more than 40 years and practiced tax law with Sutherland, Asbill and Brennan in Washington, D.C. Ms. Richardson was a member of the Internal Revenue Service Commissioner's Advisory Group and chaired the group for a year.

Kurt L. Schmoke, age 63, has been a director of Legg Mason since January 2002. Mr. Schmoke was appointed Vice President and General Counsel of Howard University in July 2012. Mr. Schmoke was Dean of the School of Law at Howard University from January 2003 to July 2012. He has been a director of The McGraw-Hill Companies, Inc. since 2003.

Mr. Schmoke's qualifications to serve on our Board include his substantial education, legal, government regulation and public policy experience. Mr. Schmoke gained his experience serving as the Dean of the Law School at Howard University, partner at the law firm of Wilmer Cutler & Pickering, Mayor of Baltimore, the State's Attorney for Baltimore, a member of the Council on Foreign Relations and a member of President Jimmy Carter's domestic policy staff.

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Our Board of Directors has an Audit Committee, a Compensation Committee, a Finance Committee, a Nominating & Corporate Governance Committee and a Risk Committee. The current charters for these committees, as approved by our Board of Directors, are on, and may be printed from, our corporate website at www.leggmason.com under the *About Us Corporate Governance* section. We will provide a copy of these charters, without charge, to any stockholder who provides a written request for a copy. Requests for copies should be addressed to the Corporate Secretary, Legg Mason, Inc., 100 International Drive, Baltimore, Maryland 21202. The membership of the Board's standing committees is as follows:

Director(1)	Audit	Compensation	Finance	Nominating & Corporate Governance	Risk
	Committee	Committee	Committee	Committee	Committee
Harold L. Adams		M		M	
Robert E. Angelica	M				C
Dennis R. Beresford*	M		M		M
John T. Cahill	M	C	M		
Barry W. Huff	C		M		M
Dennis M. Kass		M	M	M	
John E. Koerner III				M	M
Cheryl Gordon Krongard	M	M			
John V. Murphy	M	M			
John H. Myers				M	M
Nelson Peltz			M	C	
W. Allen Reed			C	M	M
Margaret Milner Richardson	M				M
Nicholas J. St. George*		M		M	
Kurt L. Schmoke		M		M	
Joseph A. Sullivan			M		

C Chairman

M Member

* Not standing for re-election

(1) Mark Fetting, who left the Board on October 1, 2012, served on the Finance Committee. Scott Nuttall, who left the Board on May 23, 2012, served on the Audit and Compensation Committees.

In addition to our five standing Board committees, in September 2012 our Board of Directors created a special CEO Search Committee to identify and recommend to the Board one or more qualified candidates to serve as our Chief Executive Officer. The members of the special CEO Search Committee were Ms. Krongard and Messrs. Adams, Angelica, Huff, Peltz, and Reed. The CEO Search Committee met 18 times and completed its work upon the February 2013 election of Joseph Sullivan as Chief Executive Officer and was disbanded at that time.

During the fiscal year ended March 31, 2013, our Board of Directors met 12 times, our Audit Committee met five times, our Compensation Committee met 10 times, our Finance Committee met eight times, our Nominating & Corporate Governance Committee met four times and our Risk Committee met four times. While we have no formal policy on the matter, directors are generally expected to attend our Annual Meeting of Stockholders. All of our directors attended our 2012 Annual Meeting of Stockholders. During fiscal year 2013,

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each of our directors attended at least 75% of the aggregate number of meetings of the Board of Directors and all Board committees on which he or she served that were held during the period in which he or she was a director.

Audit Committee. The Audit Committee's primary purpose is to oversee our financial accounting and reporting to stockholders. Its duties include:

selecting and compensating the independent registered public accounting firm (Independent Auditors);

providing oversight of the work of the Independent Auditors and reviewing the scope and results of the audits conducted by them;

reviewing the activities of our internal auditors;

discussing with Independent Auditors, internal auditors and management the organization and scope of our internal system of accounting and financial controls; and

reviewing and discussing certain matters that may have a material impact on our financial statements, including litigation and legal matters and critical accounting policies and estimates.

Our Board of Directors has determined that Ms. Krongard and Messrs. Beresford, Cahill, and Huff qualify as audit committee financial experts as defined by the SEC. Our Board of Directors has also determined that all members of our Audit Committee are independent as defined in the New York Stock Exchange Listing Standards and the applicable SEC rules.

Compensation Committee. The Compensation Committee's responsibilities include determining the compensation of our Chief Executive Officer (subject to the app