

**Legg Mason, Inc. Stock Ownership Guidelines**  
**for Directors and Executive Officers**

**It is the position of the Board of Directors (the “Board”) of Legg Mason, Inc. (the “Company”) that all directors and executive officers of the Company should have meaningful ownership interests in the Company. To that end, it is the intention of the Board that effective April 1, 2008:**

- **Each non-employee director will be expected to own, at a minimum, an amount of shares of common stock or restricted stock units equal to three times the director’s annual board retainer.**
- **Each executive officer will be expected to own, at a minimum, shares of common stock, restricted stock or phantom stock equal to one of the following:**
  - **Chief Executive Officer – five times base salary**
  - **Sr. Executive Vice Presidents – three times base salary**
  - **Other Executive Officers – two times base salary**
- **Directors and executive officers will have five years from the latter of (i) April 1, 2008 or (ii) the date the director or executive officer was elected to meet the minimum ownership guidelines set forth herein.**
- **The Board will review these guidelines on an annual basis.**