

PRICE T ROWE GROUP INC
Form DEF 14A
March 16, 2018
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

**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 Pursuant to §240.14a-12
- T. Rowe Price Group, Inc.**
(Name of Registrant as Specified in Its Charter)
(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:

oFee paid previously with preliminary materials:

oCheck 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:

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(3) Filing Party:

(4) Date Filed:

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YOUR VOTE IS IMPORTANT!

Please execute and return the enclosed proxy promptly whether or not you plan to attend the T. Rowe Price Group, Inc., 2018 Annual Meeting of Stockholders.

T. ROWE PRICE GROUP, INC.
100 EAST PRATT STREET
BALTIMORE, MD 21202

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

We will hold the Annual Meeting of Stockholders of T. Rowe Price Group, Inc., at the Company's offices located at 4435 Painters Mill Road, Owings Mills, Maryland 21117, on Thursday, April 26, 2018, at 10 a.m. At this Annual Meeting, we will ask stockholders to:

- 1) elect a Board of twelve directors;
- 2) approve, by a non-binding advisory vote, the compensation paid by the Company to its Named Executive Officers;
- 3) consider and approve a proposed charter amendment to eliminate the provision that limits voting of share ownership to 15% of the outstanding shares; and
- 4) ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2018.

Stockholders who owned shares of our common stock as of February 23, 2018, are entitled to attend and vote at the Annual Meeting or any adjournments.

BY ORDER OF THE BOARD OF DIRECTORS

David Oestreicher
Chief Legal Officer and Corporate Secretary
Baltimore, Maryland
March 16, 2018

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Introduction

This proxy statement is being made available to you in connection with the solicitation of proxies by the T. Rowe Price Group, Inc. (Price Group or the Company) Board of Directors (Board) for the 2018 Annual Meeting of Stockholders (Annual Meeting). The purpose of the Annual Meeting is to:

- 1) elect a Board of twelve directors;
- 2) approve, by a non-binding advisory vote, the compensation paid by the Company to its Named Executive Officers;
- 3) consider and approve a proposed charter amendment to eliminate the provision that limits voting of share ownership to 15% of the outstanding shares; and
- 4) ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2018.

This proxy statement, the proxy card, and our 2017 Annual Report to Stockholders containing our consolidated financial statements and other financial information for the year ended December 31, 2017, form your Proxy Materials. We have adopted the Securities and Exchange Commission's (SEC) Notice and Access model of proxy notification, which allows us to furnish proxy materials online, with paper copies available upon request. We sent you a notice on how to obtain your Proxy Materials on March 16, 2018.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on April 26, 2018

This proxy statement and our 2017 Annual Report to Stockholders may be viewed, downloaded, and printed, at no charge, by accessing the following Internet address: materials.proxyvote.com/74144T.

Stockholders who wish to attend the Annual Meeting in person must follow the instructions on page 3 under the section titled "Do I need to bring anything in order to attend the Annual Meeting?"

Questions and Answers About the Proxy Materials and the Annual Meeting

Why did I receive in the mail a Notice of the Internet Availability of Proxy Materials?

You received in the mail either a notice of the Internet availability of proxy materials or a printed proxy statement and 2017 Annual Report to Stockholders because you owned T. Rowe Price Group, Inc., common stock at the close of business on February 23, 2018, which we refer to as the Record Date, and that entitles you to vote at the Annual Meeting. This proxy statement, the proxy card, and our 2017 Annual Report to Stockholders containing our consolidated financial statements and other financial information for the year ended December 31, 2017, constitute the Proxy Materials. The Board is soliciting your proxy to vote at the Annual Meeting or at any later meeting if the Annual Meeting is adjourned or postponed for any reason. Your proxy will authorize each of Edward C. Bernard, Brian C. Rogers, and William J. Stromberg as proxies to vote on your behalf at the Annual Meeting. By use of a proxy, you can vote whether or not you attend the Annual Meeting.

This proxy statement describes the matters to be acted upon at the Annual Meeting, provides information on those matters, and provides information about Price Group that we must disclose when we solicit your proxy.

Pursuant to rules adopted by the SEC, we have elected to provide access to our Proxy Materials over the Internet to many stockholders. We believe that Internet delivery of our Proxy Materials allows us to provide our stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of our Annual Meeting. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials, which we refer to as the Notice, to many of our stockholders (including beneficial owners) as of the Record Date. Our stockholders who receive the Notice will have the ability to access the Proxy Materials on a website referred to in the Notice or request to receive a printed set of the Proxy Materials. The Notice contains instructions on how to access the Proxy Materials over the Internet or to request a printed copy. In addition, stockholders may request to receive Proxy Materials in printed form by mail or electronically by email on an ongoing basis by calling Broadridge Financial Solutions, Inc. (Broadridge) at **1-800-579-1639**. Please note that you may not vote using the Notice. The Notice identifies the items to be voted on at the Annual Meeting and describes how to vote, but you cannot vote by marking the Notice and returning it.

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Can I view the Proxy Materials on the Internet?

Yes. As described in more detail in response to the prior question, most stockholders will receive the proxy statement online. If you received a paper copy, you can also view these documents on the Internet by accessing our website at trow.client.shareholder.com/financials.cfm. The SEC also maintains a website at sec.gov that contains reports, proxy statements, and other information regarding Price Group.

Who is entitled to vote at the Annual Meeting?

Holders of our common stock at the close of business on the Record Date are entitled to vote their shares at the Annual Meeting. As of the Record Date, there were 244,597,454 shares outstanding. Each share outstanding on the Record Date is entitled to one vote on each proposal presented at the Annual Meeting. Under our current charter, the right to cast one vote per share may be modified in the case of certain persons and groups beneficially owning or otherwise having or arranging for ownership interest or voting authority with respect to more than 15% of our common stock; we do not believe this provision will apply to any stockholders voting at this Annual Meeting. The Board has approved and authorized placing before our stockholders at the Annual Meeting a charter amendment that will eliminate this 15% stockholder provision, which would result in the removal of the related supermajority voting provision. See Proposal 3 for further details.

What am I voting on, and what are the Board voting recommendations?

Our stockholders will be voting on the following proposals:

Proposal	Board Voting Recommendation
1 Election of Directors	FOR ALL DIRECTOR- NOMINEES
2 Advisory Vote on the Compensation Paid to Our Named Executive Officers	FOR
3 Approve the Proposed Charter Amendment to Eliminate the Provision That Limits Voting of Share Ownership to 15% of the Outstanding Shares	FOR
4 Ratification of the Appointment of KPMG LLP as Our Independent Registered Public Accounting Firm for 2018	FOR

Can other matters be decided at the Annual Meeting?

At the time this proxy statement went to press, we were not aware of any other matters to be presented at the Annual Meeting. If other matters are properly presented for consideration at the Annual Meeting, the proxy holders appointed by our Board (i.e., Edward C. Bernard, Brian C. Rogers, and William J. Stromberg) will have the discretion to vote on those matters in accordance with their best judgment on behalf of stockholders who provide a valid proxy by Internet, by telephone, or by mail.

What is the procedure for voting?

Whether you hold shares directly as the stockholder of record or beneficially in street name, you may vote before the Annual Meeting by granting a proxy to each of Edward C. Bernard, Brian C. Rogers, and William J. Stromberg or, for shares you beneficially own, by submitting voting instructions to your broker, bank, or other nominee. Stockholders have a choice of voting by using the Internet, by calling a toll-free telephone number within the United States or Puerto Rico, or by completing a proxy or voting instruction card and mailing it in the postage-paid envelope provided. Please refer to the summary instructions below and carefully follow the instructions included on your Notice; your proxy card; or, for shares you beneficially own, the voting instruction card provided by your broker, bank, or other nominee. The Notice identifies the items to be voted on at the Annual Meeting and provides instructions on how to vote, but you cannot vote by marking the Notice and returning it.

If you hold shares in multiple accounts, you may receive multiple proxy material packages. If you hold shares in multiple accounts, please be sure to vote all of your Price Group shares in each of your accounts in accordance with the voting instructions you receive for each such account.

By Internet or Telephone

You can vote your shares via the Internet at **proxyvote.com**.

You can vote your shares by telephone by calling, toll-free **1-800-690-6903**.

Internet and telephone voting facilities for registered stockholders will be available 24 hours a day until 11:59 p.m., eastern daylight time, on April 25, 2018. If you vote your shares on the Internet or by telephone, you do not have to return your proxy card.

Please have your proxy card (or the Notice or the email message you receive with instructions on how to vote) in hand when you go online. You will have an opportunity to confirm your voting selections before your vote is recorded.

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The availability of Internet and telephone voting for beneficial owners will depend on the voting processes of your broker, bank, or other nominee. You should follow the voting instructions in the materials that you received from your nominee.

By Mail

If you d like to vote by mail, please 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 in the postage-paid envelope provided. If voting instructions are provided, shares represented by the proxy card will be voted in accordance with the voting instructions.

For shares held in street name, please use the voting instruction card provided by your broker, bank, or other nominee and mark, sign, date, and mail it back to your broker, bank, or other nominee in accordance with their instructions.

In Person at the Annual Meeting

All registered stockholders can vote in person at the Annual Meeting. Voting your proxy electronically via the Internet, by telephone, or by mail does not limit your right to vote at the Annual Meeting. You also can choose to be represented by another person at the Annual Meeting by executing a legally valid proxy designating that person to vote on your behalf.

If you are a beneficial owner of shares, you must obtain a legally valid proxy from your broker, bank, or other nominee and present it to the inspectors of election with your ballot to be able to vote at the Annual Meeting. A legal proxy is an authorization from your broker, bank, or other nominee to vote the shares held in the nominee s name that satisfies Maryland law and the SEC requirements for proxies.

Do I need to bring anything in order to attend the Annual Meeting?

Yes. You must bring documentation that allows us to verify your stock ownership. For record holders (as described in the following section **What is the difference between holding shares as a registered stockholder and as a beneficial owner?**), this means you must bring a valid, government-issued photographic identification. For stockholders who own their shares in street name (as described in the following section **What is the difference between holding shares as a registered stockholder and as a beneficial owner?**), you must bring a valid, government-issued photographic identification and a brokerage account statement or letter from your broker,

bank, or other nominee reflecting stock ownership. If you do not have valid identification and documentation sufficient to verify your stock ownership, you will not be admitted into the Annual Meeting.

For security reasons, all hand-carried items will be subject to inspection. Cameras, audio and video recorders, communication devices, and similar equipment will not be allowed in the meeting room.

What is the difference between holding shares as a registered stockholder and as a beneficial owner?

If your shares are registered directly in your name with our transfer agent, you are considered the registered stockholder (also known as a record holder) of those shares. We mail the Notice or Proxy Materials directly to you. Wells Fargo Shareowner Services (Shareowner Services), a division of Wells Fargo Bank N.A., has served as our transfer agent for many years. On February 1, 2018, Wells Fargo Bank N.A. sold Shareowner Services to Equiniti Group plc (Equiniti Group). In connection with the sale of Shareowner Services, the transfer agent appointment was transferred to Equiniti Trust Company (EQ). EQ now serves as the transfer agent and registrar for T. Rowe Price Group, Inc.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name, and these Proxy Materials or the Notice are being forwarded to you by your broker, bank, or other nominee who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank, or other nominee on how to vote your shares, and you also are invited to attend the Annual Meeting.

Because you are not the stockholder of record, however, you may not vote these shares in person at the Annual Meeting unless you bring with you to the Annual Meeting a legally valid proxy, executed in your favor, from the stockholder of record. Your broker, bank, or other nominee also is obligated to provide you with a voting instruction card for you to use to direct them as to how to vote your shares.

Can I change my proxy vote?

Yes. If you are a registered stockholder, you can change your proxy vote or revoke your proxy at any time before the Annual Meeting by:

Authorizing a new vote electronically through the Internet or by telephone.

Returning a signed proxy card with a later date.

Delivering a written revocation of your proxy to the chief legal officer and corporate secretary at T. Rowe Price Group, Inc., 100 East Pratt Street, Mail Code BA-1360, Baltimore, MD 21202 before your original proxy is voted at the Annual Meeting.

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Submitting a written ballot in person at the Annual Meeting.

If you are a beneficial owner of shares, you can submit new voting instructions by contacting your broker, bank, or other nominee. You also can vote in person at the Annual Meeting if you obtain a legal proxy from your bank, broker, or other nominee (the registered stockholder) as described in the answer to the question **What is the procedure for voting?** on page 2.

Your personal attendance at the Annual Meeting does not revoke your proxy. Unless you vote at the Annual Meeting, your last valid proxy prior to or at the Annual Meeting will be used to cast your vote.

What if I return my proxy card but do not provide voting instructions?

Proxies that are signed and returned but do not contain voting instructions will be voted:

FOR the election of all director-nominees listed in Proposal 1.

FOR the advisory vote on the compensation paid by the Company to its Named Executive Officers (Proposal 2).

FOR the proposed charter amendment to eliminate the provision that limits voting of share ownership to 15% of the outstanding shares (Proposal 3).

FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2018 (Proposal 4).

In the best judgment of the named proxy holders if any other matters are properly presented at the Annual Meeting.

How many shares must be present to hold the Annual Meeting?

In order for us to lawfully conduct business at our Annual Meeting, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the Annual Meeting is required. This is referred to as a quorum. Your shares are counted as present at the Annual Meeting if you attend the Annual Meeting and either vote in person or abstain from voting, or if you properly return a proxy by Internet, by telephone, or by mail in advance of the Annual Meeting and do not revoke the proxy.

Will my shares be voted if I don't provide my proxy or instruction card?

Registered Stockholders

If your shares are registered in your name, your shares will not be voted unless you provide a proxy by Internet, by telephone, or by mail or vote in person at the Annual Meeting.

Beneficial Owners

If you hold shares through an account with a broker, bank, or other nominee and you do not provide voting instructions, under the NASDAQ Global Select Market rules, your broker may vote your shares on routine matters only. The ratification of the appointment of KPMG (Proposal 4) is considered a routine matter, and your nominee can therefore vote your shares on that proposal even if you do not provide voting instructions. No other proposal is considered a routine matter, and your nominee cannot vote your shares on those proposals unless you provide voting instructions. Votes withheld by brokers, banks, and other nominees in the absence of voting instructions from a beneficial owner are referred to as broker non-votes.

Multiple Forms of Ownership

The Company cannot provide a single proxy or instruction card for stockholders who own shares as registered stockholders or beneficial owners. As a result, if your shares are held in multiple types of accounts, you must submit your votes for each type of account in accordance with the instructions you receive for that account.

What is the vote required for each proposal?

For Proposal 1, the votes that stockholders cast **FOR** a director-nominee must exceed the votes that stockholders cast **AGAINST** a director-nominee to approve the election of each director-nominee. Please also see the discussion of our **Majority Voting** provisions within Proposal 1 on page 6. For each of Proposals 2 and 4, the affirmative vote of a majority of the votes cast is required to approve the proposal. Proposal 2 is advisory and non-binding, so the Board will review the voting results on this proposal and take the results into account when making future decisions regarding these matters. Proposal 3 requires an affirmative vote of the holders of two-thirds of the total number of shares of all classes outstanding and entitled to vote on such matters. Votes cast exclude abstentions and broker non-votes.

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What is the effect of an abstention?

A stockholder who abstains on some or all matters is considered present for purposes of determining if a quorum is present at the Annual Meeting, but an abstention is not counted as a vote cast. An abstention on Proposal 3 will have the same effect as a vote against. An abstention has no effect on the vote on any other proposal.

What is the effect of a broker non-vote?

If a broker casts a vote on Proposal 4 (ratification of the appointment of KPMG LLP as our independent registered public accounting firm), the vote will be included in determining whether a quorum exists for holding the Annual Meeting. The broker does not have authority to vote on the other proposals absent directions from the beneficial owner.

As a result, if the beneficial owner does not vote on Proposals 1 or 2, so that there is a broker non-vote on those items, the broker non-votes do not count as votes cast for those proposals. Thus, a broker non-vote will not impact the following:

our ability to obtain a quorum (unless a broker does not cast a vote on Proposal 4 as described in the preceding paragraph),
the outcome with respect to the election of directors (Proposal 1),
the outcome of the vote on a proposal that requires the affirmative vote of a majority of the votes cast on the proposal (Proposals 2 and 4).
A broker non-vote with respect to Proposal 3 will have the same effect as a vote against.

Who will count the votes?

Representatives of our proxy tabulator, Broadridge, will tabulate the votes and act as inspectors of election for the Annual Meeting.

Where can I find the voting results of the Annual Meeting?

The preliminary voting results will be announced at the Annual Meeting. The final voting results will be tallied by the inspectors of election and disclosed by the Company in a Current Report on Form 8-K filed with the SEC within four business days following the Annual Meeting.

Is my vote confidential?

Yes. The vote of each stockholder is held in confidence from Price Group's directors, officers, and employees. We do not know how any person or entity votes unless this information is voluntarily disclosed.

What is householding and how does it affect me?

Some banks, brokers, and other nominees engage in the practice of householding our proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to stockholders may be sent to multiple stockholders in your household unless you request otherwise. We will promptly deliver a separate copy of our 2017 Annual Report to Stockholders or this proxy statement to you if you share an address subject to householding. Please contact our chief legal officer and corporate secretary at 100 East Pratt Street, Mail Code BA-1360, Baltimore, MD 21202, or by telephone at 410-345-2628.

Please contact your bank, broker, or other nominees if you wish to receive individual copies of our Proxy Materials in the future. Please contact your bank, broker, or other intermediary, or our chief legal officer and corporate secretary at 100 East Pratt Street, Mail Code BA-1360, Baltimore, MD 21202, or by telephone at 410-345-2628, if members of your household are currently receiving individual copies and you would like to receive a single household copy for future meetings.

Can I choose to receive the proxy statement and the 2017 Annual Report to Stockholders on the Internet instead of receiving them by mail?

Yes. If you are a registered stockholder or beneficial owner, you can elect to receive future annual reports and proxy statements on the Internet only and not receive copies in the mail by visiting **proxyvote.com**. You will need to have your proxy card (or the Notice or the email message you receive with instructions on how to vote) in hand when you access the website. Your request for electronic transmission will remain in effect for all future annual reports and proxy statements, unless withdrawn. Withdrawal procedures also are at this website.

The 2017 Annual Report to Stockholders is being mailed to stockholders in advance of, or together with, this proxy statement. If you hold Price Group shares in your own name and received more than one copy of the 2017 Annual Report to Stockholders at your address and wish to reduce the number of reports you receive and save the Company the cost of producing and mailing these reports, you should contact Price Group's mailing agent Broadridge, at 1-866-540-7095 to discontinue the mailing of reports on the accounts you select.

At least one account at your address must continue to receive an annual report, unless you elect to view future annual reports over the Internet. The mailing of dividend checks, dividend reinvestment statements, proxy materials, and special notices will not be affected by your election to discontinue duplicate mailings of annual reports. Registered stockholders may resume the mailing of an annual report to an account by calling Broadridge at 1-866-540-7095. If you

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own shares through a broker, bank, or other nominee and received more than one 2017 Annual Report to Stockholders, please contact the holder of record to eliminate duplicate mailings.

Who pays the cost of this proxy solicitation?

We will pay for the costs of preparing materials for the Annual Meeting and soliciting proxies. We expect that solicitation will occur primarily through the mail, but proxies also may be solicited personally or by telephone, email, letter, or facsimile. To assist in soliciting proxies, we have retained Morrow Sodali LLC, 470 West Avenue, Stamford, CT 06902 for a fee of \$7,000, plus reimbursement of out-of-pocket expenses. We ask brokers, banks, and other nominees to forward materials for the Annual Meeting to our beneficial stockholders as of the Record Date, and we will

reimburse them for the reasonable out-of-pocket expenses they incur. Directors, officers, and employees of Price Group and our subsidiaries may solicit proxies personally or by other means, but will not receive additional compensation. Stockholders are requested to return their proxies without delay.

Can I find additional information on the Company's website?

Yes. Although the information contained on our website is not part of the Proxy Materials, you will find information about the Company and our corporate governance practices at trow.client.shareholder.com/corporate-governance.cfm. Our website contains information about our Board, Board committees, Corporate Governance Guidelines, and other matters.

**Proposal 1
Election of Directors**

In this proxy statement, twelve director nominees are presented pursuant to the recommendation of the Nominating and Corporate Governance Committee. All have been nominated by the Board of Directors to hold office until the next annual meeting of stockholders and until their respective successors are elected and qualify.

RECOMMENDATION OF THE BOARD OF DIRECTORS; VOTE REQUIRED

We recommend that you vote FOR all the nominees under Proposal 1. All properly executed proxies received in time to be tabulated for the Annual Meeting will be voted FOR the election of the nominees named below

unless otherwise specified. Shares held by a bank, broker, or other nominee will not be voted on this Proposal absent specific instruction from you, which means your shares may go unvoted and not affect the outcome if you do not specify a vote. If any nominee becomes unable or unwilling to serve between now and the Annual Meeting, proxies will be voted **FOR** the election of a replacement recommended by the Nominating and Corporate Governance Committee and approved by the Board of Directors.

MAJORITY VOTING

We have adopted a majority voting standard for the election of our directors. Under our current By-Laws, in an uncontested election, a nominee will not be elected unless he or she receives more **FOR** votes than **AGAINST** votes. Under Maryland law, any incumbent director not so elected would continue in office as a holdover director until removed or replaced. As a result, the By-Laws also provide that any director who fails to obtain the required vote in an uncontested election must submit his or her resignation to the Board. The Board must decide whether to accept or decline the resignation, or decline the resignation with conditions, taking into consideration the Nominating and Corporate Governance Committee's recommendation after consideration of all factors deemed relevant, within 90 days after the vote has been certified. Plurality voting will apply to contested elections.

NON-EMPLOYEE DIRECTOR INDEPENDENCE DETERMINATIONS

The Board of Directors has considered the independence of current Board members and nominees not employed by T. Rowe Price and has concluded each such director other than Mr. Rogers qualifies as an independent director within the meaning of the applicable rules of the NASDAQ Global Select Market. To our knowledge, there are no family relationships among our directors or executive officers.

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In making its determination of independence, the Board applied guidelines that it has adopted concluding that the following relationships should not be considered material relationships that would impair a director's independence:

relationships where a director or an immediate family member of a director purchases or acquires investment services, investment securities, or similar products and services from the Company or one of its sponsored mutual funds so long as the relationship is on terms consistent with those generally available to other persons doing business with the Company, its subsidiaries, or its sponsored investment products; and

relationships where a corporation, partnership, or other entity with respect to which a director or an immediate family member of a director is an officer, director, employee, partner, or member purchases services from the Company, including investment management or defined contribution retirement plan services, on terms consistent with those generally available to other entities doing business with the Company or its subsidiaries.

The Board believes that this policy sets an appropriate standard for dealing with ordinary course of business relationships that may arise from time to time.

THE NOMINEES AND THEIR QUALIFICATIONS, SKILLS, AND EXPERIENCE

In considering the overall qualifications of our nominees and their contributions to our Board, and in determining our need for additional members of the Board, we seek to create a Board consisting of members with a diverse set of experiences and attributes who will be meaningfully involved in our Board activities and will facilitate a transparent and collaborative atmosphere and culture. Our Board members generally develop a long-term association with the Company, which we believe facilitates a deeper knowledge of our business and its strategies, opportunities, risks, and challenges. At the same time, we periodically look for additions to our Board to enhance our capabilities and bring new perspectives and ideas to our Board. We will consider Board members with diverse capabilities, and we generally look for Board members with capabilities in one or more of the following areas: accounting and financial reporting, financial services and money management, investments, general economics and industry oversight, legal, government affairs and corporate governance, general management, international, marketing and distribution, and technology and facilities management.

Each of our directors provides significant individual attributes important to the overall makeup and functioning of our Board, which are described in the biographical summaries provided below:

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The Board of Directors recommends that you vote FOR all of the following nominees:

Mark S. Bartlett
Retired Managing Partner
Ernst & Young
Age 67

Mr. Bartlett has been an independent director of Price Group since 2013 and serves as chairman of the Audit Committee and as a member of the Executive Compensation and Management Development Committee. Until retiring in 2012, Mr. Bartlett was a partner at Ernst & Young, serving as managing partner of the firm's Baltimore office and senior client service partner for the mid-Atlantic region. Mr. Bartlett began his career at Ernst & Young in 1972 and has extensive experience in financial services, as well as other industries.

Mr. Bartlett received his B.S. from West Virginia University and attended the Executive Program at the Kellogg School of Business at Northwestern University. He also earned the designation of certified public accountant.

Mr. Bartlett is a member of the board of directors and is the chairman of the audit committee of Rexnord Corporation and Williams Scotsman; he also serves on the nominating and corporate governance committee of Williams Scotsman. He is also a member of the board of directors and a member of the audit committee of FTI Consulting, Inc.

Mr. Bartlett offers the Board significant accounting and financial reporting experience as well as expertise in the accounting-related rules and regulations of the Securities and Exchange Commission. He has extensive finance knowledge, with a broad range of experience in financing alternatives including the sale of securities, debt offerings, and syndications.

Edward C. Bernard
Vice Chairman
T. Rowe Price Group, Inc.
Age 62

Mr. Bernard has been a director of Price Group since 1999, the vice chairman since 2007, a vice president since 1989, and an employee since 1988. He has overseen the Company's marketing, distribution, client service, information technology, and communications activities since 2006 and serves on the Management and Management Compensation Committees. Mr. Bernard is chairman of the board of all of the sponsored T. Rowe Price mutual funds and trusts (Price funds). Mr. Bernard has 29 years of experience in the investment management industry, all of which have been with T. Rowe Price. Mr. Bernard recently announced his intention to retire from T. Rowe Price on December 31, 2018, marking 30 years of outstanding service to our Company and our clients. Upon reelection at the 2018 Annual Meeting, he will remain a member of the Board of Directors through the April 2019 Annual Meeting of Stockholders, but will not stand for reelection to the Board in 2019.

Mr. Bernard received his B.A. from Brown University and an M.B.A. from New York University.

In addition to his responsibilities at T. Rowe Price, Mr. Bernard serves as a member of the board of governors and a member of the executive committee of the Investment Company Institute, the national trade association for the mutual fund industry.

Mr. Bernard provides the Board with direct access to the person responsible for all of our marketing, distribution, and client service activities, as well as information technology and communications. He also serves as the primary liaison to the Price funds' board of directors.

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Mary K. Bush Chairman Bush International, LLC Age 69
 Ms. Bush has been an independent director of Price Group since 2012 and serves on the Executive Compensation and Management Development Committee and the Nominating and Corporate Governance Committee. She has served as the chairman of Bush International, LLC, an advisor to U.S. corporations and foreign governments on international capital markets and strategic business and economic matters, since 1991. Earlier in her career, she managed global banking and corporate finance relationships at New York money center banks including Citibank, Banker’s Trust, and Chase.

Ms. Bush holds an M.B.A. from the University of Chicago and a B.A. in economics and political science from Fisk University.

Ms. Bush is a member of the board of directors, risk oversight committee, and nominating and corporate governance committee of Discover Financial Services; a member of the board of directors, audit committee and retirement plan committee of ManTech International Corporation; a member of the board of directors, audit committee, and compensation policy committee of Marriott International; and a member of the board of directors and chairman of the audit committee for Bloom Energy. Ms. Bush also was a director of the Pioneer Family of Mutual Funds from 1997 to 2012 and UAL Corporation from 2006 to 2010.

Ms. Bush brings to our Board extensive financial and governmental affairs experience, her knowledge of corporate governance and financial oversight gained from her membership on the boards of other public companies, knowledge of public policy matters, and her significant experience providing strategic advisory services in the financial and international arenas.

H. Lawrence Culp, Jr. Senior Lecturer Harvard Business School Age 54
 Mr. Culp has been an independent director of Price Group since 2015 and serves on the Executive Compensation and Management Development Committee and the Nominating and Corporate Governance Committee. Mr. Culp is a senior lecturer at Harvard Business School, focusing on leadership, strategy, and general management, and a senior advisor at Bain Capital Private Equity. Prior to his retirement, Mr. Culp joined Danaher Corporation in 1990 and subsequently served as president of multiple operating businesses prior to becoming chief operating officer in 2000; he served as president and chief executive officer of Danaher Corporation from 2001 to 2014.

Mr. Culp holds a B.A. in economics from Washington College and an M.B.A. from Harvard Business School.

Mr. Culp currently serves as the chairman of the board of visitors and governors of Washington College and as a member of the board of trustees of Wake Forest University. Formerly, Mr. Culp served as the chairman of the board of trustees for Potomac School and he served as a nonexecutive director at GlaxoSmithKline PLC.

Mr. Culp brings to the Board valuable leadership and management experience gained while serving as president and chief executive officer of Danaher Corporation, a publicly traded, multinational corporation. He also contributes substantial strategic leadership, operational, and financial experience to the Board.

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Dr. Freeman A. Hrabowski, III President University of Maryland, Baltimore County Age 67

Dr. Hrabowski has been an independent director of Price Group since 2013 and serves on the Audit Committee and Executive Compensation and Management Development Committee. He has served as president of the University of Maryland, Baltimore County (UMBC), since 1992. His research and publications focus on science and math education, with special emphasis on minority participation and performance. He is also a leading advocate for greater diversity in higher education. He serves as a consultant to the National Science Foundation, the National Institutes of Health, the National Academies, and universities and school systems nationally.

Dr. Hrabowski holds a Ph.D. in higher education administration and statistics and an M.A. in mathematics from the University of Illinois at Urbana-Champaign. He also holds a B.A. in mathematics from Hampton Institute (now Hampton University).

Dr. Hrabowski serves as director and member of the corporate and governance committee of McCormick & Company, Inc. Dr. Hrabowski also served on the board of Constellation Energy Group, Inc., until 2012.

Dr. Hrabowski brings to our Board valuable strategic and management leadership experience from his role as president of UMBC, as well as his extensive knowledge and dedication to greater education and workforce development. He also contributes corporate governance oversight from his experience serving as a director on other public-company boards.

Robert F. MacLellan Nonexecutive Chairman Northleaf Capital Partners Age 63

Mr. MacLellan has been an independent director of Price Group since 2010 and serves as chairman of the Executive Compensation and Management Development Committee and a member of the Audit Committee. Since November 2009, Mr. MacLellan has been the nonexecutive chairman of Northleaf Capital Partners, an independent global private markets fund manager and advisor. From 2003 to November 2009, Mr. MacLellan served as chief investment officer of TD Bank Financial Group (TDBFG), where he was responsible for overseeing the management of investments for its Employee Pension Fund, The Toronto-Dominion Bank, TD Mutual Funds, and TD Capital Group. Earlier in his career, Mr. MacLellan was managing director of Lancaster Financial Holdings, a merchant banking group acquired by TDBFG in March 1995. Prior to that, he was vice president and director at McLeod Young Weir Limited (Scotia McLeod) and a member of the corporate finance department responsible for a large number of corporate underwritings and financial advisory assignments.

Mr. MacLellan holds a B.Comm. from Carleton University and an M.B.A. from Harvard Business School, and is a chartered accountant.

Mr. MacLellan serves as the chairman of the board of Yellow Media, Inc., a public company based in Montreal.

Mr. MacLellan brings substantial experience and perspective to the Board with respect to the financial services industry, particularly his expertise with respect to investment-related matters, including those relating to the mutual fund industry and the institutional management of investment funds, based on his tenure as chief investment officer of a major financial institution. He also brings an international perspective to the Board as well as significant accounting and financial reporting experience.

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Brian C. Rogers Mr. Rogers retired as an executive of T. Rowe Price on March 31, 2017. He remains on the Board, serving as nonexecutive chair and as a member of the Executive Committee. He served as chairman from 2007 to 2017 and as chief investment officer from 2004 to 2017. He has been a director of Price Nonexecutive Group since 1997. Mr. Rogers has held a variety of other senior leadership roles and has been involved with investment management with T. Rowe Price since joining the Company in 1982. Prior to joining the Company, Mr. Rogers was employed by Bankers Trust Company.

Chairman Mr. Rogers earned an A.B. from Harvard University and an M.B.A. from Harvard Business School. Mr. Rogers has also earned his chartered financial analyst and chartered investment counselor designations.

T. Rowe Price

Group, Inc.

Age 62

Mr. Rogers is a member of the board of directors of United Technologies Corporation. He also serves on the board of directors of Harvard Management Company and as a member of the Board of Trustees of The Brookings Institution.

Mr. Rogers brings to the Board insight into the critical investment component of our business based on his 38-year career in the investment management industry, which includes nearly 35 years with the Company.

Olympia J. Snowe Ms. Snowe has been an independent director of Price Group since June 2013 and serves as a member of the Executive Compensation and Management Development Committee and as chair of the Nominating and Corporate Governance Committee. She is chair and chief executive officer of Olympia Snowe, LLC, a policy and communications consulting firm, and a senior fellow at the Bipartisan Policy Center.

Chair and Chief Executive Officer Ms. Snowe served in the U.S. Senate for the State of Maine from 1995 to 2013 and as a member of the U.S. House of Representatives from 1979 to 1995. While in the U.S. Senate, she served as chair and was the ranking member of the Senate Committee on Small Business and Entrepreneurship and served on the Senate Finance Committee. She also served as chair of the Subcommittee on Seapower for the Senate Armed Services Committee.

Olympia Snowe, LLC

Age 71 Ms. Snowe earned a B.S. from the University of Maine and has received honorary degrees from many colleges and universities.

Ms. Snowe is a member of the board of directors, audit committee, and medical affairs committee of Aetna Inc., a diversified health care benefits company. Ms. Snowe is also a member of the board of directors of Synchrony Financial and serves as a member of the audit committee and chairman of the nominating and corporate governance committee, as well as a director on the board of Synchrony Bank and serves on the Synchrony Bank audit committee.

Ms. Snowe brings a broad range of valuable leadership and public policy experience to the Board. She also has extensive experience with complex issues relevant to the Company's business, including budget and fiscal responsibility; economic, tax and regulatory policy; education; retirement and aging; women's issues; health care; foreign affairs; and national security.

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William J. Stromberg Mr. Stromberg is president and chief executive officer of the Company and is a member of its Board of Directors. He is the chairman of the Company’s Management and Management Compensation Committees. Mr. Stromberg served as the head of equity from 2009 to 2015 and the head of U.S. President and Chief Executive Officer of equity from 2006 to 2009. He also served as a director of equity research from 1996 to 2006, as a portfolio manager of the Capital Opportunity Fund (2000 to 2007) and the Dividend Growth Fund (1992 to 2000), and as an equity investment analyst from 1987 to 1992. Prior to joining the firm in 1987, Mr. Stromberg was employed by Westinghouse Defense as a systems engineer.

T. Rowe Price Group, Inc. Mr. Stromberg earned a B.A. from Johns Hopkins University and an M.B.A. from the Tuck School of Business at Dartmouth. Mr. Stromberg also has earned the chartered financial analyst designation.

Age 58

He currently serves on the Johns Hopkins University board of trustees and the Hopkins Whiting School of Engineering advisory council. Mr. Stromberg previously served nine years on the Catholic Charities board of trustees, with two years as board president.

Mr. Stromberg brings to the Board insight into the critical investment component of our business based on the leadership roles he has held in the Equity Division of Price Group and his 30-year career with the Company.

Richard R. Verma Mr. Verma has been nominated for addition to the Board as an independent director at the Annual Meeting. Following his election to the Board, he will serve as a member of the Executive Compensation and Management Development Committee and the Audit Committee.

Vice Chairman and Partner of The Asia Group Mr. Verma is vice chairman and partner at The Asia Group. He previously served as United States ambassador to India from 2014 to 2017. Prior to his service as U.S. ambassador, Mr. Verma joined Steptoe & Johnson LLP, a global law firm, in 1998 and held many roles, including partner and senior counselor from 2011 to 2014. Mr. Verma also served as assistant secretary of state for legislative affairs from 2009 to 2011 and senior national security advisor to the Senate majority leader from 2004 to 2007. Mr. Verma is a U.S. Air Force veteran who, during active duty, served as judge advocate.

Age 49

Mr. Verma holds a B.S. degree in industrial engineering from Lehigh University, an L.L.M. in international law from Georgetown University Law Center, and a J.D. from American University’s Washington College of Law.

Mr. Verma brings substantial experience and a global perspective to the Board with respect to public policy, business, foreign and legislative affairs, strategic leadership, and corporate social responsibility.

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<p>Sandra S. Wijnberg Executive Advisor Aquiline Capital Partners Age 61</p>	<p>Ms. Wijnberg has been an independent director of Price Group since 2016 and is a member of the Executive Compensation and Management Development Committee and the Audit Committee.</p> <p>Ms. Wijnberg is an executive advisor of Aquiline Capital Partners, a private-equity investment firm specializing in the financial services sector. From 2007 to 2014, she was a partner and chief administrative officer of Aquiline Holdings LLC, a registered investment advisor and the holding company for Aquiline Capital Partners. Previously, Ms. Wijnberg served as the senior vice president and chief financial officer of Marsh & McLennan Companies, Inc., and was treasurer and interim chief financial officer of YUM! Brands, Inc. Prior to that she held financial positions with PepsiCo, Inc., and worked in investment banking at Morgan Stanley. In addition, from 2014 through 2015, Ms. Wijnberg was deputy head of mission for the Office of the Quartet.</p> <p>Ms. Wijnberg currently serves on the board of directors and is a member of the audit committee of Automatic Data Processing, Inc., and from 2003 to 2016 served on the board of directors of Tyco International, PLC, and from 2007 to 2009 served on the board of directors of TE Connectivity, Inc. She is also a director of Seeds of Peace, the Alliance for Young Artists & Writers, Spark MicroGrants, and the John Simon Guggenheim Memorial Foundation.</p> <p>Ms. Wijnberg holds a B.A. in English literature from the University of California, Los Angeles, and an M.B.A. from University of Southern California’s Marshall School of Business, for which she is a member of the board of leaders.</p> <p>Ms. Wijnberg brings to our Board a global perspective along with substantial financials sector, corporate finance, and management experience based on her roles at Aquiline Capital Partners, Marsh & McLennan, and YUM! Brands, Inc.</p>
<p>Alan D. Wilson Retired Executive Chairman McCormick & Company, Inc. Age 60</p>	<p>Mr. Wilson has been an independent director of Price Group since 2015 and serves as a member of the Nominating and Corporate Governance Committee and the Executive Compensation and Management Development Committee. Mr. Wilson currently serves on the board of McCormick & Company, Inc. He joined McCormick & Company, Inc., in 1993 and held many executive management roles, including chairman, president, and chief executive officer.</p> <p>Mr. Wilson graduated from the University of Tennessee in 1980 with a B.S. in communications. He attended school on a R.O.T.C. scholarship and, following college, served as a U.S. Army captain, with tours in the United States, United Kingdom, and Germany.</p> <p>Mr. Wilson currently serves on the board of directors of Westrock Company and is a member of the nominating and corporate governance committee and the finance committee. He also chairs the board of visitors of University of Maryland, Baltimore County, and currently serves on the University of Tennessee’s Business School advisory board.</p> <p>Mr. Wilson brings to our Board significant executive management experience, having led a publicly traded, multinational company. He also adds additional perspective to the Board regarding matters relating to general management, strategic leadership, and financial matters.</p>

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THE BOARD OF DIRECTORS AND COMMITTEES

During 2017, the Board of Directors held seven meetings and approved two matters via unanimous written consent. Each director attended at least 75% of the combined total number of meetings of the Board and Board committees of which he or she was a member. Consistent with the Company's Corporate Governance Guidelines, the independent directors met in executive session at six of the Board meetings in 2017. Our Corporate Governance Guidelines provide that all directors are expected to attend each annual meeting of stockholders. All nominees for director submitted to the stockholders for approval at last year's annual meeting on April 26, 2017, attended that meeting, and we anticipate that all nominees will attend the 2018 Annual Meeting.

Corporate Governance

Our Board of Directors has an Executive Committee, an Audit Committee, an Executive Compensation and Management Development Committee, and a Nominating and Corporate Governance Committee. The Board has also authorized a Management Committee that is made up entirely of senior officers of the Company. The Board has adopted a separate written charter for the Audit Committee, the Executive Compensation and Management Development Committee, and the Nominating and Corporate Governance Committee. Current copies of each charter, our Corporate Governance Guidelines, and our Code of Ethics for Principal Executive and Senior Financial Officers can be found on our website, troweprice.com, by selecting Investor Relations and then Corporate Governance.

Code of Ethics

Pursuant to rules promulgated under the Sarbanes-Oxley Act, the Board has adopted a Code of Ethics for Principal Executive and Senior Financial Officers. This Code is intended to deter wrongdoing and promote honest and ethical conduct; full, timely, and accurate reporting; compliance with laws; and accountability for adherence to the Code, including internal reporting of Code violations. A copy of the Code of Ethics for Principal Executive and Senior Financial Officers is available on our website. We intend to satisfy the disclosure requirements regarding any amendment to, or waiver from, a provision of the Code of Ethics for Principal Executive and Senior Financial Officers by making disclosures concerning such matters available on the Investor Relations page of our website.

We also have a Code of Ethics and Conduct that is applicable to all employees and directors of the Company. It is the Company's policy for all employees to participate annually in continuing education and training relating to the Code of Ethics and Conduct.

Executive Committee

During 2017, Messrs. Rogers, and Stromberg, and Anne Marie Whittemore served on the Executive Committee. The Executive Committee functions between meetings of the Board of Directors and possesses the authority to exercise all the powers of the Board except as limited by Maryland law. If the committee acts on matters requiring formal Board action, those acts are reported to the Board of Directors at its next meeting for ratification. The Executive Committee did not take any action during 2017.

Audit Committee

Messrs. Bartlett and MacLellan; and Dwight S. Taylor; Dr. Hrabowski; and Ms. Wijnberg serve on the Audit Committee, which met five times during 2017. The Board of Directors has determined that each of the Audit Committee members meet the independence and financial literacy criteria of the NASDAQ Global Select Market and the Securities and Exchange Commission. The Board also has concluded that Messrs. Bartlett and MacLellan and Ms. Wijnberg meet the criteria for an audit committee financial expert as established by the SEC. Mr. Bartlett is a certified public accountant, was an audit partner at Ernst & Young for 28 years until he left the firm in 2012, and serves as the chairman of the audit committee of Rexnord Corporation and Williams Scotsman and as a member of the audit committee of FTI Consulting, Inc. Mr. MacLellan is a chartered accountant and was a member of the audit committees for Ace Aviation Holdings, Inc., and Maple Leaf Sports and Entertainment, Ltd. Ms. Wijnberg was the chief financial officer of Marsh & McLennan Companies, Inc., from 2000 to 2006 and interim chief financial officer of YUM! Brands in 1999. She is currently a member of the audit committee for Automatic Data Processing, Inc., and she served as member and chairperson of the audit committees of Tyco International and TE Connectivity, respectively.

Audit Committee's Primary Responsibilities

The primary purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to (1) the integrity of our financial statements and other financial information provided by us to our stockholders; (2) the retention of our independent registered public accounting firm, including oversight of the terms of its engagement and its performance,

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qualifications, and independence; (3) the performance of our internal audit function, internal controls, and disclosure controls; and (4) the Company's risk management framework. The Audit Committee also provides an avenue for communication among our internal auditors, financial management, chief risk officer, independent registered public accounting firm, and the Board and is responsible for procedures involving the receipt, retention, and treatment of complaints or concerns regarding accounting, internal accounting controls, and auditing matters, including confidential, anonymous employee submissions. The independent registered public accounting firm reports directly to the Audit Committee and is ultimately accountable to this committee and the Board for the audit of our consolidated financial statements.

Related Person Transaction Oversight

The Audit Committee is responsible under its charter for reviewing related person transactions and any change in, or waiver to, our Code of Ethics for our Principal Executive and Senior Financial Officers. Our Board has adopted a written Policy for the Review and Approval of Transactions with Related Persons. Any transaction that would require disclosure under Item 404(a) of Regulation S-K will not be initiated or materially modified until our Audit Committee has approved such transaction or modification and will not continue past its next contractual termination date unless it is annually reapproved by our Audit Committee. During its deliberations, the Audit Committee must consider all relevant details regarding the transaction including, but not limited to, any role of our employees in arranging the transaction, the potential benefits to our Company, and whether the proposed transaction is competitively bid or otherwise is on terms comparable to those available to an unrelated third party or our employees generally. The Audit Committee approves only those transactions that it determines in good faith to be on terms that are fair to us and comparable to those that could be obtained in an arms-length negotiation with an unrelated third party.

Risk Management Oversight

The Audit Committee oversees and evaluates our policies with respect to significant risks and exposures faced by the Company and the steps taken to assess, monitor, and manage those risks. The Company's Risk Management Oversight Committee, chaired by the chief risk officer and comprised of other senior members of management, directs the development and maintenance of comprehensive risk management policies and procedures for the Company. It also monitors on a regular basis the significant risks inherent to our business, including investment risk, reputational risk, business continuity risk, and operational risk. The chief risk officer, director of internal audit, and officers responsible for financial reporting, legal, and compliance periodically report to the Audit Committee. Based on these reports, the Audit Committee reports and makes recommendations as necessary to the full Board with respect to managing our overall risk.

The report of the Audit Committee appears on page 55.

Executive Compensation and Management Development Committee

All of the non-employee independent directors of the Board serve on the Executive Compensation and Management Development Committee (Compensation Committee), which met six times during 2017. The Compensation Committee approved one matter via unanimous written consent during 2017. The Board of Directors has determined that each of these members meets the independence criteria of the NASDAQ Global Select Market. The report of the Compensation Committee appears on page 43.

Committee Authority

The Compensation Committee is responsible to the Board, and ultimately to our stockholders, for:

determining the compensation of the chief executive officer and other executive officers;
reviewing and approving general salary and compensation policies for the rest of our senior officers;
overseeing the administration of our Annual Incentive Compensation Pool, equity incentive plans, and Employee Stock Purchase Plan;
assisting management in designing new compensation policies and plans; and
reviewing and discussing the Compensation Discussion and Analysis and other compensation disclosures with management.

Delegation Authority

The Compensation Committee has delegated compensation decisions regarding nonexecutive officers, including the establishment of specific salary and incentive compensation levels and certain matters relating to stock-based compensation, to the Management Compensation Committee, a committee comprised of senior leaders of Price Group.

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Committee Procedures

Early each year, the Compensation Committee meets with members of senior management in order to discuss goals and objectives for the coming year, including goals and objectives applicable to the named executive officers listed in our Summary Compensation Table. In addition, the Compensation Committee determines eligibility for the Annual Incentive Compensation Pool and sets forth the maximum percentage that may be paid to each participant. At its meeting in December, the Compensation Committee evaluates executive performance during the year as part of its determination of appropriate incentive compensation awards.

The Compensation Committee awards equity incentive grants to employees from stockholder-approved long-term incentive plans as part of the Company's annual compensation program. The Compensation Committee has, for a number of years, made equity grants in two tranches consisting generally of equal or nearly equal grants in February and September. In 2017, the Compensation Committee moved to an annual grant in December to more closely align our equity incentive grants to the timing of our annual bonus and other compensation decisions.

Role of Executive Officers

The Compensation Committee solicits input from the chief executive officer and the Management Compensation Committee regarding general compensation policies, including the appropriate level and mix of compensation. The Compensation Committee also consults with the chief executive officer regarding the appropriate bonus and salary levels for other executive officers.

Role of Compensation Consultants

During 2017, the Compensation Committee carefully reviewed its engagement with Frederic W. Cook & Co., Inc. (FW Cook), and sent a request for proposal to eight compensation consulting firms. After a thorough review and evaluation of the respondents, Johnson Associates was selected as the Compensation Committee's new compensation consultant, and it began working with the Compensation Committee in September 2017. FW Cook and Johnson Associates have no relationship with Price Group other than as the Compensation Committee's consultants. See the *Role of Independent Compensation Consultant* section of our Compensation Discussion and Analysis for additional details of their role.

Nominating and Corporate Governance Committee

Mses. Snowe, Bush, and Whittemore, and Messrs. Culp and Wilson serve on our Nominating and Corporate Governance Committee, which met on six occasions during 2017. The Nominating and Corporate Governance Committee approved one matter via unanimous written consent during 2017. The Board of Directors has determined that all Nominating and Corporate Governance Committee members meet the independence criteria of the NASDAQ Global Select Market. The principal purpose and goal of this committee is to maintain and cultivate the effectiveness of Price Group's Board of Directors and oversee its governance policies. Among the Nominating and Corporate Governance Committee's responsibilities are Board and committee composition, director qualifications, orientation and education, and Board evaluations. Members identify, evaluate, and nominate Board candidates; review the compensation of independent directors; and oversee procedures regarding stockholder nominations and other communications to the Board. In addition, they are responsible for monitoring compliance with and recommending any changes to the Company's Corporate Governance Guidelines. A report on the Nominating and Corporate Governance Committee's activities begins on page 20 of this proxy statement.

Management Committee

The Management Committee is responsible for guiding, implementing, and reviewing major policy and operating initiatives of the Company. Mr. Stromberg is chairman of the Management Committee, and Mr. Bernard and other senior officers of the Company are also members. The Management Committee reports to the Board on the management and operation of the Company through Messrs. Stromberg and Bernard. As of March 16, 2018, current members of the Management Committee include: Christopher D. Alderson, co-head of global equity; Scott B. David, head of individual and retirement plan services; Céline S. Dufétel, chief financial officer and treasurer; Nigel K. Faulkner, head of technology; Robert C.T. Higginbotham, head of global investment management services; David Oestreicher, chief legal counsel and corporate secretary; Sebastien Page, head of global multi-asset; Dorothy C. Dee Sawyer, head of human resources; Robert W. Sharps, head of investments; Eric L. Veiel, co-head of global equity; and Edward A. Wiese, head of fixed income. Each of these members brings extensive experience and wisdom to the management and leadership of the Company.

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Compensation of Directors

The Nominating and Corporate Governance Committee is responsible for periodically reviewing non-employee director compensation and benefits and recommends changes, if appropriate, to the full Board. Our non-employee director compensation program is designed to accomplish a number of objectives:

- Align the interests of our non-employee directors with those of our stockholders;
- Provide competitive compensation for service to the Board by our non-employee directors;
- Maintain appropriate consistency with our approach to compensation for our executive officers and senior employees;
- and
- Attract and retain a diverse mix of capable and highly qualified directors.

We provide both cash and equity compensation to our directors and believe that, over time, cash and equity compensation should reflect approximately 40% and 60%, respectively, of total compensation paid to our directors. The cash compensation component is based primarily on an annual retainer coupled with fees for committee attendance, lead director role, and committee chair roles. Equity compensation historically has consisted of equity awards in the form of options or full value awards, at the election of the director. We believe our total compensation package and compensation structure is comparable to and in line with other major financial service companies.

The Nominating and Corporate Governance Committee periodically reviews non-employee director compensation and benefits and recommends changes, if appropriate, to the full Board based upon its review and consideration of competitive market practices. Following the engagement in October 2016 of Pearl Meyer & Partners (Pearl Meyer), an independent compensation consultant, which provided a review of our compensation practices in relation to market conditions, the Committee determined that its compensation practices were generally competitive and that no significant changes were required. However, based on Pearl Meyer's feedback, we did decide to provide a fixed dollar amount of equity compensation of \$200,000 per director once a year rather than a fixed number of shares twice a year, which had been the practice in prior years, in order to better maintain consistent alignment in the relative contribution of cash and equity compensation to total director compensation. We also concluded that, consistent with our approach to equity incentives for our executive officers, we would move away from a menu-based plan that allowed directors to select among options, restricted shares, and restricted stock units to a consistent awarding of full value share awards to our directors. Directors maintained the right to select between restricted shares or restricted stock units in order to provide an opportunity for deferral of income if a director so elects.

For Mr. Rogers' role as a non-employee director and for the important Board leadership role as nonexecutive chair, the Committee decided to pay Mr. Rogers total annual compensation of \$400,000, including \$100,000 in the standard annual cash retainer, \$100,000 for his service as chair of the Board, and a cash amount of \$200,000 in lieu of participating in the annual equity award. Mr. Rogers' annual non-employee director compensation amounts were prorated for the period April 2017 through December 2017, following Mr. Rogers' retirement as an executive of the Company on March 31, 2017. For 2017, the Committee approved the payment of fees to the Federal Trade Commission for filings required to be made by Mr. Rogers under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (HSR Act), as a result of his stock ownership of the Company. Mr. Rogers was responsible for any taxes due as a result of the Company paying the HSR Act filing fees and was not provided a tax gross-up payment.

Equity-Based Compensation in 2017

Pursuant to the 2017 Non-Employee Director Equity Plan (2017 Director Plan) approved by the stockholders on April 26, 2017, each newly elected Board member is awarded an initial grant in the form, at their election, of restricted shares or restricted stock units having a value on the date of grant of \$300,000 that vests one-year after the grant date. In each subsequent year, each non-employee director, except Mr. Rogers, is awarded, at their election, restricted

shares or restricted stock units on the first business day after the Annual Meeting having a value on the date of grant of \$200,000. For Mr. Rogers, the Committee determined that, in light of his already significant stock ownership, they would pay him a cash amount of \$200,000 in lieu of participating in the annual equity award provided to non-employee directors.

Each of the award types vest upon the earliest of the non-employee director's death or date on which the director becomes totally and permanently disabled, one year after the grant date, or the day before the annual meeting held in the calendar year after the year in which the grant is made, or the date on which a change in control occurs, provided the director continues to be a member of the Board on the applicable date.

Restricted shares entitle the holder to the rights of a stockholder, including voting, dividend, and distribution rights, but are nontransferable until they vest. Vested stock units will be settled in shares of our common stock or cash, in the case of fractional shares, upon a non-employee director's separation from service. Non-employee directors holding stock units are not

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entitled to voting, dividend, distribution, or other rights until the corresponding shares of our common stock are issued upon settlement; however, if and when we pay a cash dividend to our common stockholders, we will issue dividend equivalents in the form of additional stock units. Under the 2017 Director Plan, dividends and dividend equivalents payable with respect to unvested restricted shares and unvested stock units will be subjected to the same vesting and risks of forfeiture as the restricted shares and stock units to which they are attributable. The 2017 Director Plan includes a provision that accelerates the vesting of all outstanding awards in connection with a change in control of Price Group. Upon a change in control, any outstanding stock units will be settled in cash or shares at the discretion of the Board of Directors.

Fees and Other Compensation in 2017

In addition to the equity-based awards, non-employee directors, except Mr. Rogers, received the following in 2017:

An annual retainer of \$100,000 for all non-employee directors;

A fee of \$1,500 for each committee meeting attended;

A fee of \$15,000 for the lead director;

A fee of \$20,000 and \$5,000, for the chairperson of the Audit Committee and each Audit Committee member, respectively;

A fee of \$10,000 for the chairperson of the Compensation Committee;

A fee of \$10,000 for the chairperson of the Nominating and Corporate Governance Committee;

Directors and all U.S. employees of Price Group and its subsidiaries are eligible to have our sponsored T. Rowe Price Foundation match personal gifts up to an annual limit to qualified charitable organizations. For 2017, non-employee directors were eligible to have up to \$10,000 matched;

The reimbursement of reasonable out-of-pocket expenses incurred in connection with their travel to and from, and attendance at each meeting of the Board and its committees and related activities, including director education courses and materials; and

The reimbursement of spousal travel to and from and participation in events held in connection with the annual joint Price Group and Price funds' Board of Directors meeting.

The annual retainer and fees noted above are prorated for the period of time during the calendar year that each director held the position. Pursuant to the Outside Directors Deferred Compensation Plan, non-employee directors can elect to defer payment of their director fees until the next calendar year. Any such election needs to be received prior to the beginning of the year they wish to have their payment deferred. Dr. Hrabowski, Ms. Snowe, and Mr. Wilson elected to have their 2017 director fees deferred to 2018.

There will be no change to the cash compensation of our non-employee directors in 2018.

Ownership and Retention Guidelines

Each non-employee director is required to hold shares of our common stock having a value equal to three times his or her current cash retainer within five years of the director's appointment to the Board. Directors added to the Board prior to 2015 have an ownership goal of \$225,000, while Messrs. Culp and Wilson, and Ms. Wijnberg each have an ownership goal of \$300,000. Based on changes adopted for 2017 and beyond, directors who join the Board in the future, including Mr. Verma, will have an ownership goal of five times the annual cash retainer in effect on the date they join the Board. For purposes of the calculation, unvested restricted shares and outstanding stock units are counted, but unexercised stock options are not. Once this ownership goal is achieved, the number of shares required to be held becomes fixed and must be maintained until the end of the director's service on the Board. Until the ownership goal is achieved, the director is expected to retain net gain shares resulting from the exercise of stock options or vesting of restricted stock granted under the applicable director plan. Net gain shares are the shares remaining after payment of the stock option exercise price and taxes owed with respect to the exercise or vesting event. In addition,

net gain shares realized under the applicable director plan after the ownership goal is achieved are expected to be held for two years prior to sale or other transfer, but not beyond the end of the director's service on the Board. All of our incumbent directors have achieved and maintain the ownership goal as of the date of this proxy statement.

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The following table sets forth information regarding the compensation earned by, or paid to, directors who served on our Board of Directors during 2017. Directors who are also officers of Price Group do not receive separate directors fees and have been omitted from this table. Mr. Stromberg and Mr. Bernard appear in our Summary Compensation Table as named executive officers.

Name	Fees Earned or Paid			All Other Compensation ⁴	Total
	in Cash	Stock Awards ^{2,3}			
Mark S. Bartlett	\$ 136,500	\$ 200,065	\$	10,000	\$ 346,565
Mary K. Bush	\$ 118,000	\$ 229,776	\$	10,000	\$ 357,776
H. Lawrence Culp, Jr.	\$ 115,000	\$ 200,065	\$	10,000	\$ 325,065
Dr. Freeman A. Hrabowski, III	\$ 121,500	\$ 215,911	\$	10,000	\$ 347,411
Robert F. MacLellan	\$ 131,500	\$ 211,242	\$	10,000	\$ 352,742
Olympia J. Snowe	\$ 128,000	\$ 211,039	\$	10,000	\$ 349,039
Brian C. Rogers ⁵	\$ 300,000	\$ —	\$	248,269	\$ 548,269
Dwight S. Taylor	\$ 121,500	\$ 265,950	\$	10,000	\$ 397,450
Anne Marie Whittemore	\$ 133,000	\$ 230,094	\$	10,000	\$ 373,094
Sandra S. Wijnberg	\$ 121,500	\$ 210,171	\$	10,000	\$ 341,671
Alan D. Wilson	\$ 118,000	\$ 221,535	\$	10,000	\$ 349,535

¹ Includes only those columns relating to compensation awarded to, earned by, or paid to non-employee directors for their services in 2017. All other columns have been omitted.

The following table represents the equity awards granted in 2017 to certain of the non-employee directors named above. In accordance with the 2017 Director Plan, each non-employee director was awarded a grant date value of ²\$200,000. The equity value was converted to awards or units, using the closing stock price of our common stock on the date of grant. Fractional shares were rounded up to the nearest whole share. The holders of restricted stock units also receive dividend equivalents in the form of additional vested stock units on each of the Company's dividend payment dates. Fractional shares earned as dividend equivalents have been rounded to the nearest whole share.

Director	Grant Date	Number of Restricted Shares	Number of Restricted Units	Grant Date
				Fair Value of Stock and Option Awards
Mark S. Bartlett	4/27/2017	2,837		\$ 200,065
Mary K. Bush	3/30/2017		108	\$ 7,341
	4/27/2017	2,837		\$ 200,065
	6/29/2017		100	\$ 7,403
	9/28/2017		83	\$ 7,460
	12/28/2017		71	\$ 7,507
H. Lawrence Culp, Jr.	4/27/2017	2,837		\$ 200,065
Dr. Freeman A. Hrabowski, III	3/30/2017		40	\$ 2,708
	4/27/2017		2,837	\$ 200,065

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	6/29/2017		59	\$	4,348
	9/28/2017		49	\$	4,381
	12/28/2017		42	\$	4,409
Robert F. MacLellan	3/30/2017		40	\$	2,762
	4/27/2017	2,837		\$	200,065
	6/29/2017		38	\$	2,785
	9/28/2017		31	\$	2,806
	12/28/2017		27	\$	2,824
Olympia J. Snowe	3/30/2017		22	\$	1,504
	4/27/2017		2,837	\$	200,065
	6/29/2017		42	\$	3,134
	9/28/2017		35	\$	3,158
	12/28/2017		30	\$	3,178
Dwight S. Taylor	3/30/2017		239	\$	16,280
	4/27/2017	2,837		\$	200,065
	6/29/2017		222	\$	16,416
	9/28/2017		184	\$	16,542
	12/28/2017		158	\$	16,647

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Director	Grant Date	Number of Restricted Shares	Number of Restricted Units	Grant Date Fair Value of Stock and Option Awards
Anne Marie Whittemore	3/30/2017		91	\$ 6,213
	4/27/2017		2,837	\$ 200,065
	6/29/2017		106	\$ 7,882
	9/28/2017		88	\$ 7,942
	12/28/2017		76	\$ 7,992
Sandra S. Wijnberg	3/30/2017		37	\$ 2,497
	4/27/2017	2,837		\$ 200,065
	6/29/2017		34	\$ 2,518
	9/28/2017		28	\$ 2,537
	12/28/2017		24	\$ 2,554
Alan D. Wilson	3/30/2017		60	\$ 4,098
	4/27/2017		2,837	\$ 200,065
	6/29/2017		78	\$ 5,749
	9/28/2017		64	\$ 5,793
	12/28/2017		55	\$ 5,830

³ The following table represents the aggregate number of equity awards outstanding as of December 31, 2017. The outstanding equity awards held by Mr. Rogers were granted while he was an executive officer of the Company.

Director	Unvested Stock Awards	Unvested Stock Units	Unexercised Option Awards	Total	Vested Stock Units
Mark S. Bartlett	2,837			2,837	
Mary K. Bush	2,837			2,837	13,241
H. Lawrence Culp, Jr.	2,837		8,700	11,537	
Dr. Freeman A. Hrabowski, III		2,892	26,008	28,900	4,885
Robert F. MacLellan	2,837		51,268	54,105	4,981
Brian C. Rogers		10,830	132,462	143,292	
Olympia J. Snowe		2,892		2,892	2,713
Dwight S. Taylor	2,837			2,837	29,363
Anne Marie Whittemore		2,892	29,141	32,033	11,205
Sandra S. Wijnberg	2,837			2,837	4,504
Alan D. Wilson		2,892		2,892	7,391

Personal gifts matched by our sponsored T. Rowe Price Foundation to qualified charitable organizations. Mr. Rogers⁴ was eligible for a \$25,000 match as he was an executive officer of the Company for part of the year before serving as nonexecutive chair on the Board.

⁵

All other compensation includes \$98,269 for the compensation Mr. Rogers earned before his retirement as an executive officer of the Company on March 31, 2017, \$125,000 paid on behalf of Mr. Rogers for individual filings submitted pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and a \$25,000 match to the T. Rowe Price Foundation.

Report of the Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee has general oversight responsibility for governance of the Company, including the assessment and recruitment of new director candidates and the evaluation of director and Board performance. We monitor regulatory and other developments in the governance area with a view toward both legal compliance and maintaining governance practices at the Company consistent with what we consider to be best practices.

Corporate Governance Developments in 2017

Management Succession

This Committee oversees ongoing management succession planning and monitors the development and evaluation of senior leaders of the firm. In 2017, the Company completed the final phase of its management succession plan for Brian C. Rogers, who served as our chief investment officer since 2004. Effective March 31, 2017, we appointed six senior investment leaders to share chief investment officer (CIO) responsibilities, which include providing investment thought leadership, partnering with

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investment division leaders to develop investment talent and capabilities, serving as mentors for the firm's investment professionals, and visiting with clients around the world. Robert W. Sharps, our group CIO, coordinates the activities of the CIO group, which, among other things, facilitates the other CIOs' ability to remain active as investors on behalf of our clients.

In January 2017, the Company announced that Kenneth V. Moreland, chief financial officer and treasurer of the Company, would retire from the Company. After an extensive search, the firm announced that Céline Dufétel, a managing director of Neuberger Berman and former McKinsey & Company partner, would join the firm as vice president in late 2017 and would assume the roles of chief financial officer (CFO) and treasurer in the first quarter of 2018. As CFO, Ms. Dufétel will provide global leadership and oversight for all financial activities of the firm, as well as manage the various functions within the CFO Group, including Finance, Treasury, Risk, Audit, Corporate Real Estate & Facilities, and Business Services. She also will assume responsibility for the corporate strategy team and lead the firm's relationships with analysts and T. Rowe Price Group stockholders.

While this Committee has primary responsibility for CEO and director succession, our Executive Compensation and Management Development Committee periodically receives reports from management concerning the development of leadership within the Company and the succession planning that is occurring with respect to senior leadership positions. A comprehensive report on these matters was provided to the Compensation Committee at one of its meetings during 2017, and the Compensation Committee and the Board receive periodic updates on these matters.

Board Evaluations

In January 2018, we asked all Board members to reply to an anonymous evaluation questionnaire regarding the performance of the Board and its committees during 2017. Feedback from these questionnaires was supplemented by interviews of each independent director by our lead independent director. We discussed the results of the evaluations and interviews at our meeting on February 13, 2018, and provided a full report to the Board. Consistent with past practice, we will implement suggestions and conclusions from the evaluation process during the course of the upcoming year. We plan to continue to conduct evaluations and interviews each year and to periodically modify our procedures to ensure that we receive candid feedback and are responsive to future developments and suggestions from our directors.

Charter and Bylaw Review

We routinely review and consider our governance profile and during the course of 2017 we reviewed our Charter and By-Laws to determine whether there were any updating amendments or modifications that would be appropriate. As part of that review, we reconsidered a provision of our Charter that provides that any stockholder holding 15% or more of the outstanding shares of common stock of the Company would only be entitled to vote shares up to the 15% level. This Charter provision was adopted by us in the 1980s at the time we originally became a public company. The Committee and the Board concluded that, as a matter of good corporate governance, the provision should be removed. In addition, it is the only portion of the Company's Charter that requires a two-thirds vote to be amended; all other Charter provisions can be amended by the affirmative vote of a majority of the outstanding shares entitled to be voted. Accordingly, removing the 15% Charter provision also eliminates this supermajority vote provision, which we also considered to be favorable to our governance profile. These changes are being recommended to the stockholders elsewhere in this proxy statement.

Board Leadership

Lead Independent Director Transition

The lead independent director role was created in 2004 and has continually developed since that time. The lead independent director chairs Board meetings at which the chairperson is not present, approves Board agendas and meeting schedules, and oversees Board materials distributed in advance of Board meetings. The lead independent director also calls meetings of the independent directors, chairs all executive sessions of the independent directors, and acts as liaison between the independent directors and management. The lead independent director is available to the chief legal officer to discuss and, as necessary, respond to stockholder communications to the Board.

At the upcoming Annual Meeting, Mr. Wilson will succeed Ms. Whittemore as the lead independent director. Ms. Whittemore has acted as the lead independent director since April 2016.

During 2015, Mr. Bartlett replaced Mr. MacLellan as the chairman of the Audit Committee, Mr. MacLellan replaced Mr. Taylor as the chairman of the Executive Compensation Committee, and Ms. Snowe replaced Dr. Alfred Sommer as chair of the Nominating and Corporate Governance Committee. Our Corporate Governance Guidelines provide that periodic rotation of committee membership and chairpersons is desirable and that chairpersons generally will be considered for change at least every five years. This is not an absolute rule, however, and in some circumstances continued service on a committee or as chairperson by persons with particular skills may be warranted.

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Nonexecutive Chair of the Board of Directors

In April 2017, Mr. Rogers assumed his role as the nonexecutive chair of the Board of Directors. This allows us to continue to benefit from the significant experience and leadership provided by Mr. Rogers. In his role as the non-executive chair, Mr. Rogers works closely with our lead independent director and CEO to provide leadership to our Board of Directors.

Independent Leadership

We believe that the current combination of a nonexecutive chairperson and a well-empowered lead independent director provides independent leadership of our Board of Directors. We also note that the Company has a strong independent Board, with three-quarters of the members being independent under the NASDAQ Global Select Market standards. In addition, this Committee, the Audit Committee, and the Compensation Committee are all composed entirely of independent directors, and our chairperson and lead independent director, together with these Committees, have significant and meaningful responsibilities designed to foster critical oversight and good governance practices. We believe that our structure is appropriate at this time and serves well the interests of the Company and its stockholders.

Director Qualifications and the Nominations Process

There have been a number of Board retirements over the past few years, including the retirement of Mr. Taylor and Ms. Whittemore, longtime members of our Board of Directors, at the upcoming Annual Meeting. As a result, the Committee has been very active in recruiting and considering new director candidates, adding Ms. Wijnberg in 2016 and Messrs. Culp and Wilson in 2015. As indicated elsewhere in this proxy statement, Mr. Verma has been nominated for addition to the Board at the upcoming Annual Meeting. After the 2018 Annual Meeting, the Board will have 12 members, nine of whom are independent. The tenure of our independent directors will be varied, with seven of our independent directors joining the Board after 2012.

We believe that the nominees presented in this proxy statement constitute a Board with an appropriate level and diversity of experience, education, skills, and independence. We routinely consider whether additional independent directors should be added to the Board, and may add new members in the future. In considering the need for additional independent directors, we consider any expected Board departures and retirements and factor succession planning for the Board members into our deliberations, with particular reference to specific skills and capabilities of departing Board members. While we continue to look for additional directors with diverse and relevant backgrounds, we are very pleased with our current complement of directors and the varied perspectives they bring to the Board.

This committee supervises the nomination process for directors. We consider the performance, independence, diversity, and other characteristics of our incumbent directors, including their willingness to serve for an additional term, and any change in their employment or other circumstances in considering their renomination each year. In considering diversity, we consider diversity of background and experience as well as ethnic, gender, racial, and other forms of diversity. Although we do not have a formal policy regarding diversity in identifying nominees for a directorship, we monitor the diversity profile of the Board and consider it an important factor relevant to any particular nominee and to the overall composition of our Board.

In the event that a vacancy exists or we decide to increase the size of the Board, we identify, interview and examine, and make recommendations to the Board regarding appropriate candidates. We identify potential candidates principally through suggestions from the Company's directors and senior management. The chairman and chief executive officer and other Board members may also seek candidates through informal discussions with third parties. We also consider candidates recommended or suggested by stockholders as described below.

In evaluating potential candidates, we consider independence from management, background, experience, expertise, commitment, diversity, number of other public board and related committee seats held, and potential conflicts of interest, among other factors, and take into account the composition of the Board at the time of the assessment. All candidates for nomination must:

demonstrate unimpeachable character and integrity;

have sufficient time to carry out their duties;

have experience at senior levels in areas of expertise helpful to the Company and consistent with the objective of having a diverse and well-rounded Board; and

have the willingness and commitment to assume the responsibilities required of a director of the Company.

In addition, candidates expected to serve on the Audit Committee must meet independence and financial literacy qualifications imposed by the NASDAQ Global Select Market and by the SEC and other applicable law. Candidates expected to serve on this committee or the Compensation Committee must meet independence qualifications set out by the NASDAQ Global Select Market, and members of the Compensation Committee must also meet additional independence tests imposed by the

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NASDAQ Global Select Market. Our evaluations of potential directors include, among other things, an assessment of a candidate's background and credentials, personal interviews, and discussions with appropriate references. Once we have selected a candidate, we present him or her to the full Board for election if a vacancy occurs or is created by an increase in the size of the Board during the course of the year, or for nomination if the director is to be first elected by stockholders. All directors serve for one-year terms and must stand for reelection annually.

Director Orientation and Continuing Education and Development

When a new independent director joins the Board, we provide an orientation program for the purpose of providing the new director with an understanding of the operations and the financial condition of the Company as well as the Board's expectations for its directors. Each director is expected to maintain the necessary knowledge and information to perform his or her responsibilities as a director. To assist the directors in understanding the Company and its industry and maintaining the level of expertise required for the director, the Company will, from time to time and at least annually, offer Company-sponsored continuing education programs or presentations in addition to briefings during Board meetings relating to the competitive and industry environment and the Company's goals and strategies.

The Board has joined the National Association of Corporate Directors, which provides resources that help directors strengthen board leadership. Each director is encouraged to participate at least once every three years in continuing education programs for public-company directors sponsored by nationally recognized educational organizations not affiliated with the Company. The cost of all such continuing education is paid for by the Company.

Shareholder Proposals

We from time to time receive shareholder proposals from our stockholders intended for inclusion in our proxy statement. We typically will work with Company management in reviewing these proposals and determine an appropriate course of action in response, including, where necessary, a statement of our position for or in opposition to the proposal from the stockholder.

Policy With Respect to the Consideration of Director Candidates Recommended or Nominated by Stockholders

Recommendations

A stockholder who wishes to recommend a candidate for the Board should send a letter to the chairperson of this committee at the Company's principal executive offices providing (i) information relevant to the candidate's satisfaction of the criteria described above under Director Qualifications and the Nominations Process and (ii) information that would be required for a director nomination under Section 1.11 of the Company's Amended and Restated By-Laws. The committee will consider and evaluate candidates recommended by stockholders in the same manner it considers candidates from other sources. Acceptance of a recommendation does not imply that the committee will ultimately nominate the recommended candidate.

Proxy Access and Nominations

In late 2015, we adopted a proxy access right to permit a stockholder, or a group of up to 20 stockholders, owning 3% or more of the Company's outstanding common stock continuously for at least three years, to nominate and include in the Company's proxy materials director-nominees constituting up to two individuals or 20% of the Board (whichever is greater), provided that the stockholder(s) and the nominee(s) satisfy the requirements specified in the amended By-Laws. Section 1.13 of Price Group's Amended and Restated By-Laws sets out the procedures a stockholder must follow to use proxy access. Section 1.11 of Price Group's Amended and Restated By-Laws sets out the procedures a stockholder must follow in order to nominate a candidate for Board membership outside of the proxy access process.

For these requirements, please refer to the Amended and Restated By-Laws as of December 10, 2015, filed with the SEC on December 10, 2015, as Exhibit 3(ii) to a Current Report on Form 8-K.

Olympia J. Snowe, Chair
Mary K. Bush
H. Lawrence Culp, Jr.
Anne Marie Whittemore
Alan D. Wilson

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To our knowledge, these are the following beneficial owners of more than 5% of our outstanding common stock as of February 23, 2018.

Name and Address	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 55 East 52 nd Street New York, NY 10055	17,337,902 shares ¹	7.09 %
State Street Corporation State Street Financial Center One Lincoln Street Boston, MA 02111	13,314,981 shares ²	5.44 %
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	18,340,906 shares ³	7.50 %

Based solely on information contained in a Schedule 13G/A filed with the SEC on January 29, 2018, by BlackRock, Inc. Of the 17,337,902 shares beneficially owned, BlackRock, Inc., has sole power to vote or direct the vote of 15,119,431 shares and sole power to dispose or to direct the disposition of 17,337,902 shares.

Based solely on information contained in a Schedule 13G filed with the SEC on February 14, 2018, by State Street Corporation. State Street Corporation has shared power to vote or direct the vote and shared power to dispose or direct the disposition of 13,314,981 shares.

Based solely on information contained in a Schedule 13G/A filed with the SEC on February 12, 2018, by The Vanguard Group. Of the 18,340,906 shares beneficially owned, The Vanguard Group has sole power to vote or direct the vote of 337,685 shares, sole power to dispose or to direct the disposition of 17,964,212 shares, shared power to vote or direct the vote of 45,545 shares, and shared power to dispose or to direct the disposition of 376,694 shares.

Stock Ownership of Management

The following table sets forth information regarding the beneficial ownership of our common stock as of the record date, February 23, 2018, by (i) each director and each nominee for director, (ii) each person named in the Summary Compensation Table, and (iii) all directors and executive officers as a group. Share amounts and percentages shown for each individual or group in the table assume the exercise of all stock options exercisable by such individual or group within 60 days of the record date and the settlement of restricted stock units that are vested or will vest within 60 days of the record date. Except as otherwise noted, all shares are owned individually with sole voting and dispositive power.

Name of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class¹
Christopher D. Alderson	583,016 ²	*
Mark S. Bartlett	19,237 ³	*
Edward C. Bernard	1,983,304 ⁴	*
Mary K. Bush	18,678 ⁵	*
H. Lawrence Culp, Jr.	19,958 ⁶	*
Dr. Freeman A. Hrabowski, III	64,041 ⁷	*
Robert F. MacLellan	59,086 ⁸	*
Kenneth V. Moreland	92,284	*
Brian C. Rogers	2,797,302 ⁹	1.1 %
Robert W. Sharps	428,614 ¹⁰	*
Olympia J. Snowe	12,013 ¹¹	*
William J. Stromberg	1,087,223 ¹²	*
Dwight S. Taylor	33,400 ¹³	*
Richard R. Verma	<u>14</u>	*
Anne Marie Whittemore	51,231 ¹⁵	*
Sandra S. Wijnberg	7,341 ¹⁶	*
Alan D. Wilson	7,391 ¹⁷	*
Directors and All Executive Officers as a Group (21 persons)	7,692,895 ¹⁸	3.1 %

¹ Beneficial ownership of less than 1% is represented by an asterisk (*).

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² Includes 240,121 shares that may be acquired by Mr. Alderson within 60 days upon the exercise of stock options and ² 262,000 shares held by a member of Mr. Alderson's family.

³ Includes 2,837 unvested restricted stock awards.

Includes (i) 163,716 shares that may be acquired by Mr. Bernard within 60 days upon the exercise of stock options, (ii) 279,463 shares held in a family trust, (iii) 60,500 shares held by a member of Mr. Bernard's family, and (iv) ⁴ 846,210 shares held by trusts for which Mr. Bernard is a trustee and disclaims beneficial ownership. Neither he nor any member of his family has any economic interest in the trusts described in (iv).

⁵ Includes 2,837 unvested restricted stock awards and 13,241 vested stock units that will be settled in shares of the Company's common stock upon Ms. Bush's separation from the Board.

Includes (i) 8,700 shares that may be acquired by Mr. Culp within 60 days upon the exercise of stock options, (ii) ⁶ 2,837 unvested restricted stock awards, (iii) 1,123 shares held in a family trust and foundation, (iv) 884 shares held by a family member's trust, and (v) 2,064 shares held by a limited liability company in which Mr. Culp has an interest and disclaims beneficial ownership.

Includes (i) 26,008 shares that may be acquired by Dr. Hrabowski within 60 days upon the exercise of stock options, ⁷ (ii) 4,885 vested stock units that will be settled in shares of the Company's common stock upon Dr. Hrabowski's separation from the Board, and (iii) 33,148 shares held by a member of Dr. Hrabowski's family.

Includes (i) 51,268 shares that may be acquired by Mr. MacLellan within 60 days upon the exercise of stock options, ⁸ (ii) 2,837 unvested restricted stock awards, and (iii) 4,981 vested stock units that will be settled in shares of the Company's common stock upon Mr. MacLellan's separation from the Board.

⁹ Includes (i) 106,122 shares that may be acquired by Mr. Rogers within 60 days upon the exercise of stock options, (ii) 200,000 shares held by a member of Mr. Rogers' family, and (iii) 150,000 shares held in a family trust in which Mr. Rogers disclaims beneficial ownership.

¹⁰ Includes 125,025 shares that may be acquired by Mr. Sharps within 60 days upon the exercise of stock options and 21,081 unvested restricted stock awards.

¹¹ Includes 2,713 vested stock units that will be settled in shares of the Company's common stock upon Ms. Snowe's separation from the Board.

Includes (i) 112,912 shares that may be acquired by Mr. Stromberg within 60 days upon the exercise of stock ¹² options, (ii) 400,000 shares held by a limited liability company in which Mr. Stromberg has an interest, and (iii) 66,000 shares held in a family trust for which Mr. Stromberg disclaims beneficial ownership.

¹³ Includes 2,837 unvested restricted stock awards and 29,363 vested stock units that will be settled in shares of the Company's common stock upon Mr. Taylor's separation from the Board.

¹⁴ Mr. Verma has been nominated for addition to the Board at the Annual Meeting and does not own any shares of the Company's common stock.

Includes 29,141 shares that may be acquired by Ms. Whittemore within 60 days upon the exercise of stock options ¹⁵ and 11,205 vested stock units that will be settled in shares of the Company's common stock upon Ms. Whittemore's separation from the Board.

¹⁶ Includes 2,837 unvested restricted stock awards and 4,504 vested stock units that will be settled in shares of the Company's common stock upon Ms. Wijnberg's separation from the Board.

¹⁷ Includes 7,391 vested stock units that will be settled in shares of the Company's common stock upon Mr. Wilson's separation from the Board.

Includes (i) 953,511 shares that may be acquired by all directors and executive officers as a group within 60 days upon the exercise of stock options, (ii) 41,547 unvested restricted stock awards held by certain directors and executive officers, (iii) 78,285 stock units held by eight of the non-employee directors that are vested and will be ¹⁸ settled in shares of the Company's common stock upon their separation from the Board, and (iv) 2,435,673 shares held by family members, held in family trusts or limited liability companies of certain executive officers and held by trusts in which certain executive officers are trustees.

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We believe that all filing requirements to comply with Section 16(a) of the Securities Exchange Act were met during the calendar year 2017, except for the late filing of SEC Form 4 in September 2017 for certain of our executive officers as a result of an administrative error. The original filing for these executive officers' transactions were due on September 8, 2017, but were not filed until September 19, 2017. Each late Form 4 reported one transaction for Messrs. Alderson, Bernard, Moreland, Stromberg, and Wiese.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Discussion and Analysis (CD&A) provides an overview and analysis of our executive compensation philosophy and addresses the principal elements used to compensate our executive officers. In this section, we address the 2017 compensation determinations and the rationale for those determinations for our named executive officers (NEOs). This CD&A should be read together with the compensation tables that follow this section. Our NEOs for 2017 are as follows:

Name	Title
William J. Stromberg	President and Chief Executive Officer
Kenneth V. Moreland	Chief Financial Officer and Treasurer
Edward C. Bernard	Vice Chairman
Christopher D. Alderson	Co-head of Global Equity
Robert W. Sharps	Co-head of Global Equity ¹

¹Effective March 1, 2018, Mr. Sharps became the head of Investments.

Executive Summary

Our compensation programs recognize and reward performance, with a focus on rewarding the intermediate- and long-term achievements of our NEOs, as measured by a number of factors, including:

financial performance and financial stability of Price Group;
 relative investment performance of our investment products; and
 performance of our NEOs against corporate and individual goals established at the beginning of the year.
 Our compensation programs are also designed to reward for other important contributions such as our culture, service quality, customer retention, risk management, corporate reputation, and the quality of our team of associates and collaboration within those teams. The majority of NEO compensation is performance-based and includes a material equity component, thereby ensuring compensation is dependent on the Company's annual and longer-term performance.

Overall, 2017 was a very good year for T. Rowe Price, our clients, and our stockholders. We delivered strong relative investment performance for our clients, experienced diversified organic growth across geographies and distribution channels, delivered strong financial results while investing for growth, and continued our track record of strong returns of capital to our stockholders. These results, which are further detailed below, were considered by the Compensation Committee in setting 2017 pay for our NEOs.

For 2017, performance-based incentives awarded to William J. Stromberg, our president and chief executive officer (CEO) increased 25% over the prior year, with the majority of the increase in performance-based restricted stock units. This increase reflects both the Committee's assessment of Mr. Stromberg's performance in his second year as CEO and an evaluation of competitive levels of compensation among peers. We expect that long-term equity

incentives will play an important part of future increases in CEO pay. Mr. Moreland retired in early 2018 and received a retirement payment in lieu of a 2017 bonus or long-term equity award. The terms of his arrangement are discussed under the Post-Employment Payments section of this CD&A on page 41.

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The mix of compensation elements awarded this year to our CEO and other continuing NEOs, as illustrated below, reflects our compensation philosophy. Fixed base salary composes a small portion of overall compensation, whereas performance-based pay, in annual cash incentives and long-term equity awards, represents the most significant portion.

2017 PERFORMANCE HIGHLIGHTS

Each year, we identify both long-term and short-term goals that are designed to promote a team-oriented structure that operates in the best interests of our clients, associates, and stockholders. Our performance against our 2017 goals and objectives, which are described on page 36, was as follows:

Investment performance relative to our peers has been strong over a long period. The percentage of our Price funds across their share classes and our asset allocation funds that outperformed their comparable Lipper averages on a total return basis and percentage in top Lipper quartile for the one-, three-, five-, and 10-years ended December 31, 2017, were:

	One year	Three years	Five years	10 years
Outperformed Lipper averages				
All Price funds (across their share classes)	72 %	84 %	82 %	81 %
Asset allocation	86 %	97 %	93 %	93 %

Top Lipper quartile

All Price funds (across their share classes)	38 %	50 %	55 %	57 %
Asset allocation	59 %	60 %	82 %	86 %

88% of our rated Price funds' assets under management ended the year with an overall rating of four or five stars from Morningstar.

The performance of our funds and institutional strategies against benchmarks remains competitive over longer periods.

Our strong investment performance, combined with our growing distribution reach, helped us extend our leadership position in a number of core businesses.

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Our operating results have increased significantly over the last five years. Results for 2017 in comparison to the prior two years, and to 2012, are as follows:

	Assets Under Management (in billions)	Net Revenue (in billions)	Net Operating Income (in billions)	Operating Margin	Net Income Attributable to TRPG (in billions)	Diluted Earnings per Share	Non-GAAP Diluted Earnings per Share	Cash Returned to Stockholders (in billions)
2017	\$991.1	\$4.8	\$2.1	44%	\$1.5	\$5.97	\$5.43	\$1.0
2016	\$810.8	\$4.2	\$1.7	41%	\$1.2	\$4.75	\$4.49	\$1.2
2015	\$763.1	\$4.2	\$1.9					