

Section 1: 8-K (8-K)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: April 29, 2020

(Date of earliest event reported)

Legg Mason, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation)

1-8529

(Commission File Number)

52-1200960

(I.R.S. Employer
Identification No.)

100 International Drive

Baltimore , MD

21202

(Address of principal executive offices)

Zip Code

(410) 539-0000

Registrant's telephone number, including area code

Not Applicable

(Former name or former address if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, \$0.10 par value	LM	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On April 29, 2020, in connection with pending acquisition of the Legg Mason (the “Merger”) under the Agreement and Plan of Merger by and among Legg Mason, Inc., a Maryland corporation (the “Company”), Franklin Resources, Inc., a Delaware corporation (“Parent”), and Alpha Sub Inc., a Maryland corporation and wholly-owned subsidiary of Parent (“Merger Sub”), the Company entered into certain retention letter agreements (the “Retention Agreements”) with each of Joseph A. Sullivan, Peter H. Nachtwey, Terence A. Johnson, Patricia Lattin and Thomas C. Merchant, all of whom are executive officers of the Company (each an “Executive,” and collectively, the “Executives”). These Retention Agreements were designed to promote retention and to incentivize efforts to consummate and achieve the anticipated benefits of the proposed Merger. The Compensation Committee of the Company’s Board of Directors approved the entry into these Retention Agreements on April 27, 2020, and the independent directors of the Company ratified the Retention Agreement for Mr. Sullivan, the Company’s Chief Executive Officer, on April 28, 2020.

Pursuant to the Retention Agreements, each Executive is eligible for a retention bonus (the “Retention Bonus”) if he or she (i) reasonably cooperates in the transaction process, including satisfactorily performing assigned job duties and cooperating with the Company to ensure the orderly transition of job duties, responsibilities and knowledge, and (ii) remains continuously employed with the Company through the closing of the Merger (“Closing Date”). Mr. Johnson must also continue to comply with the terms of his Service Agreement, dated April 1, 2013 (the “Service Agreement”).

The Retention Bonus for each Executive will be a lump sum cash payment equal to the greater of (a) fifty percent (50%) of total compensation, which includes the Executive’s base salary plus gross annual incentive compensation (for Mr. Johnson, the total compensation includes the sum of the his base salary as in effect on the date of his Retention Agreement plus his annual incentive compensation for the most recently completed fiscal quarter) and, if applicable, commission received for the most recently completed fiscal year, or (b) seventy-five percent (75%) of the Executive’s base salary as in effect on the date of his or her Retention Agreement, pro-rated for the period from February 18, 2020 until the Closing Date. Payment of the Retention Bonus is also conditioned on the Executive agreeing to certain restrictive covenants, including non-solicitation (except for Mr. Johnson, who must comply with certain post-termination restrictions contained in his Service Agreement), non-disparagement and confidentiality provisions. If the Executive’s Retention Bonus, together with any other payments or benefits provided by the Company under the Retention Agreement, would otherwise exceed the Section 280G of the Internal Revenue Code limit applicable to the Executive, the retention amount will be reduced to the minimum extent necessary to avoid exceeding such limit. The amount of Retention Bonus for each of the Executives, assuming the Closing Date is August 1, 2020 and there is no reduction related to Section 280G, is as follows: Joseph A. Sullivan \$2,200,000; Peter H. Nachtwey \$868,750; Terence A. Johnson \$751,652; Thomas C. Merchant \$537,500; and Patricia Lattin \$318,750.

Payment of the Retention Bonus is in addition to any severance or other benefits that the Executive may otherwise be eligible to receive. Each Executive other than Mr. Johnson is entitled to severance payments and benefits pursuant to (i) certain letter agreements entered into on May 21, 2019 in the event of an involuntary termination by the Company of the Executive’s employment other than for Cause (as defined in the Retention Agreement) on or before September 30, 2020 and (ii) thereafter under the terms of the Company’s severance benefits plan for reductions in force, as such plan may be amended, in each case, subject to the Executive’s execution of a general employment release of claims. Mr. Johnson may be entitled to certain rights, including notice and/or compensation, upon a termination of his employment under both his Service Agreement and English law.

Mr. Sullivan has also entered into a Non-Competition Agreement, dated April 29, 2020 (the “Non-Competition Agreement”), with the Company in connection with his Retention Agreement. Pursuant to the terms of the Non-Competition Agreement, Mr. Sullivan agreed that during his employment with the Company and for the twelve (12) month period commencing on his date of termination of employment with the Company for any reason, Mr. Sullivan will not, directly or indirectly, own any interest in, manage, control, participate in, consult with, or render services, anywhere the Company currently conducts business or proposes to conduct business, for any Competitor (as defined in the Non-Competition Agreement); provided, that Mr. Sullivan is not restricted from owning less than two percent (2%) of the stock of a publicly held corporation.

The foregoing summary of the forms of Retention Letter Agreement for Mr. Sullivan, Mr. Nachtwey, Ms. Lattin and Mr. Merchant, the U.K. Retention Letter Agreement for Mr. Johnson and the Non-Competition Agreement for Mr. Sullivan do not purport to be complete and is subject to, and qualified in its entirety by, the full text of the applicable agreements, forms of which are attached hereto as Exhibits 10.1, 10.2, and 10.3 respectively, and incorporated herein by reference.

Forward-Looking Statements

Statements in this Current Report on Form 8-K (the “Form 8-K”) and the exhibits attached hereto and incorporated by reference herein that are not historical facts are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. When used in this Form 8-K and the exhibits attached hereto and incorporated by reference herein, words or phrases generally written in the future tense and/or preceded by words such as “will,” “may,” “could,” “expect,” “believe,” “anticipate,” “intend,” “plan,” “seek,” “estimate,” “preliminary” or other similar words are forward-looking statements.

Various forward-looking statements in this Form 8-K and the exhibits attached hereto and incorporated by reference herein relate to the acquisition by Parent of the Company, including regarding the timing of closing of the transaction.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, some of which are listed below, that could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Important transaction-related and other risk factors that may cause such differences include: (i) the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger; (ii) the transaction closing conditions may not be satisfied in a timely manner or at all, including due to the failure to obtain the Company stockholder approval and regulatory and client approvals; (iii) the announcement and pendency of the Merger may disrupt the Company’s business operations (including the threatened or actual loss of employees, clients or suppliers); and (iv) the Company could experience financial or other setbacks if the transaction encounters unanticipated problems.

For a detailed discussion of other risk factors, please refer to the risks, uncertainties and factors described in Parent’s and the Company’s recent filings with the U.S. Securities and Exchange Commission (“SEC”), including, without limitation, each company’s most recent Annual Report on Form 10-K and subsequent periodic and current reports.

Any forward-looking statement made in this Form 8-K and the exhibits attached hereto and incorporated by reference herein speaks only as of the date on which it is made. Factors or events that could cause actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. Parent and the Company undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Additional Information and Where to Find It

This filing may be deemed solicitation material in respect of the proposed acquisition of the Company by Parent. This filing does not constitute a solicitation of any vote or approval. In connection with the proposed Merger, the Company has filed with the SEC and furnished to the Company’s stockholders a definitive proxy statement and other relevant documents. **STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.**

Investors may obtain free of charge the proxy statement and other documents filed with the SEC at the SEC’s website at <http://www.sec.gov>. In addition, the proxy statement and the Company’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934 are or will be available free of charge through the Company’s website at www.leggmason.com as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC.

The directors, executive officers and certain other members of management and employees of the Company may be deemed “participants” in the solicitation of proxies from stockholders of the Company in favor of the proposed Merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of the Company in connection with the proposed Merger are set forth in the proxy statement and the other relevant documents filed with the SEC. You can find information about the Company’s executive officers and directors in the definitive proxy statement on Schedule 14A in connection with the Company’s 2019 Annual Meeting of Shareholders, filed with the SEC on June 6, 2019.

Item 9.01. Financial Statements and Exhibits.

(d)Exhibits.

Exhibit

No. Description

[10.1 Form of Retention Letter Agreement with each Peter H. Nachtwey, Patricia Lattin and Thomas C. Merchant.*](#)

[10.2 Form of Retention Letter Agreement with Joseph A. Sullivan.*](#)

[10.3 Form of Retention Letter Agreement with Terence A. Johnson.*](#)

[10.4 Form of Non-Competition Agreement by and between Joseph A. Sullivan and Legg Mason, Inc.*](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Schedules (or similar attachments) omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to provide a copy of any omitted schedule to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LEGG MASON, INC.

Date: May 1, 2020

By: /s/ Thomas C. Merchant

Name: Thomas C. Merchant

Title: Executive Vice President and General Counsel

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Section 2: EX-10.1 (EXHIBIT 10.1)

EXHIBIT 10.1

[DATE], 2020

[NAME]
[ADDRESS]

Re: Retention Letter Agreement (the "*Letter Agreement*")

Dear [NAME],

In connection with the transaction (the "*Transaction*") by and between Legg Mason, Inc. (together with its affiliates, subsidiaries, successors or parent companies, "*Legg Mason*") and Franklin Resources, Inc. (together with its affiliates and subsidiaries, "*Franklin*"), we are pleased to offer you a retention incentive to encourage you to remain actively employed through the date of the closing of the Transaction (the "*Closing*" and such date, the "*Closing Date*"), subject to the terms and conditions set forth in this Letter Agreement. The period commencing on the date of this Letter Agreement through the Closing Date is referred to in this Letter Agreement as the "*Retention Period*".

1. Retention Incentive Payment.

- (a) Provided that you remain continuously employed with Legg Mason through the Closing Date, and comply with the covenants described in section 3 below, Legg Mason will pay you a one-time cash payment equal to the greater of (i) fifty percent (50%) of total compensation (base salary plus gross annual incentive compensation and, if applicable, commission received for the most recently completed fiscal year) or (ii) seventy-five percent (75%) of base salary (as in effect on the date hereof), pro-rated for the period from February 18, 2020 until the Closing Date (the "*Retention Incentive*"). The Retention Incentive will be paid to you no later than Franklin's first regularly scheduled payroll date immediately following the Closing Date.
- (b) During the Retention Period, you agree to reasonably cooperate during the Transaction process including (i) continuing to satisfactorily perform your assigned job duties consistent with your position and all applicable workplace policies, and (ii) reasonably cooperating with Legg Mason to ensure the orderly transition of your job duties, responsibilities and knowledge. Any determination that you have not met these standards may only be made by the Legg Mason Chief Executive Officer or Board of Directors prior to the Closing Date.

2. Severance Package.

- (a) You will be also eligible for severance pay and related benefits under the terms of the letter agreement entered into between you and Legg Mason dated May 21, 2019 (the "*May 2019 Agreement*") if you are involuntarily terminated other than for "Cause" (as

defined below) on or before September 30, 2020. If you remain employed by Legg Mason or Franklin following September 30, 2020, you will be eligible for severance pay and related benefits under the terms of the Legg Mason & Co., LLC Severance Benefits Plan for Reductions in Force, effective February 15, 2019, as such plan may be amended (the "*Severance Plan*"). If you are eligible for severance pay and related benefits, you will be required to sign and not revoke a separation agreement and release of claims as a condition to receiving your severance pay and related benefits.

- (b) For purposes of this Letter Agreement, and notwithstanding any otherwise applicable definition of "Cause" set forth in the May 2019 Agreement or the Severance Plan, "Cause" shall mean any one or more of the following: (i) your material breach of any material obligation to Legg Mason or your duty of loyalty to Legg Mason, (ii) willful misconduct that is materially injurious to Legg Mason, monetarily or otherwise; (iii) material violation of, or willful act or failure to act which causes Legg Mason to be in violation of, any government statute or regulation, or of the constitution, by-laws, rules or regulations of any securities or commodities exchange or a self-regulatory organization, or of the policies of Legg Mason; (iv) the entering of an order or decree or the taking of any similar action with respect to which you are substantially impaired from performing your duties or makes you ineligible from being associated with Legg Mason pursuant to Section 9 of the Investment Company Act of 1940, as amended, or Section 203(f) of the Investment Advisers Act of 1940, as amended; (v) your conviction of a felony; (vi) your willful failure to devote substantially all professional time to assigned duties and to the business of Legg Mason other than when on approved PTO or an approved leave of absence; (vii) your gross misconduct or gross negligence in the performance of duties; (viii) your failure to remain licensed to perform duties or other act, conduct or circumstance which renders you ineligible for employment with Legg Mason; or; (ix) your material misconduct or material dishonesty in connection with your employment, including any material breach or violation of Legg Mason's policies and procedures as set forth in the Employee Handbook and Code of Conduct, including all provisions related to discrimination, harassment, and retaliation. In order for any termination to be for "Cause" hereunder other than pursuant to clause (iv) or (v), Legg Mason must provide you written notice of the grounds for a Cause termination and you must fail to materially cure such grounds within 15 days following your receipt of such notice. Any determination that you have committed an act constituting "Cause" may only be made by the Legg Mason Board of Directors prior to the Closing Date.

3. Restrictive Covenants.

- (a) As an inducement to Legg Mason to enter into this Agreement, and as a condition of your eligibility for the benefits described in this Agreement and to preserve the goodwill associated with the business of Legg Mason, you agree that, during the Restricted Period (as defined below), you will not, directly or indirectly, for yourself or on behalf of a third party, solicit or induce any employee of Legg Mason to terminate his/her employment or to become employed elsewhere. "Restricted Period"

shall mean the period beginning on the date of this Letter Agreement and continuing until the 12-month anniversary of your termination of employment with Legg Mason (regardless of the reason for such termination). This paragraph applies in addition to any other covenants in any other agreement between you and Legg Mason, and all covenants will be applied in order to provide Legg Mason with the broadest possible protection.

- (b) You further agree that you will not disparage, defame, or otherwise represent in a negative light Legg Mason or its related entities and any of their officers, directors or employees, services, products, or processes. In addition, Legg Mason and its related entities agree, and shall use their best efforts to cause the related entities' chief executive officers to agree, to not disparage, defame, or otherwise represent you in a negative manner and will not make or publish any statement critical of you, or in any way adversely affecting or otherwise maligning your reputation. This agreement does not bar you or the Company from communicating truthfully with a government agency or testifying, assisting or participating in any governmental investigation, proceeding or hearing conducted by a government agency, including by providing documents or other information.
- (c) You also agree that you will not disclose or authorize the disclosure of (i) the terms of this Letter Agreement or its existence, except to the extent reasonably necessary for you to obtain personal legal, accounting or taxation advice or to your immediate family members; provided that you instruct any such immediate family member or advisors of the confidential nature of such information; or (ii) any information related to the Transaction that is not publicly available, except, in the case of each of clauses (i) and (ii), as may be required by law, as permitted by applicable whistleblower legislation, or as directed or authorized by Legg Mason.
- (d) By entering into this Letter Agreement, you acknowledge that the covenants set forth in this section 3 are reasonable and properly required for the adequate protection of the interests of Legg Mason, including Legg Mason's goodwill, confidential information, and intellectual property, and such covenants represent only a limited restraint and allow you to pursue your livelihood and occupation without unreasonable or unfair restrictions. However, if any restriction set forth in this section 3 is found by any adjudicator of competent jurisdiction to be unenforceable (for example, because it extends for too long a period of time), this Letter Agreement shall be deemed amended solely to the extent necessary to render the otherwise unenforceable restriction, and the rest of the Letter Agreement, valid and enforceable.

4. Employment-At-Will.

- (a) Nothing contained in this Letter Agreement shall be construed as a promise of continuous employment for any definite term, including, without limitation, for the Retention Period. The employment relationship remains "at-will," which affords either you or Legg Mason

the right to terminate the employment relationship at any time for any or no reason not expressly prohibited by law.

5. Taxes.

- (a) All compensation and benefits described in this Letter Agreement will be subject to applicable tax and other withholdings and deductions.
- (b) The provisions of this Letter Agreement are intended to be exempt from, or to comply with, Section 409A of the Internal Revenue Code ("*Section 409A*"). However, nothing in this Letter Agreement shall be interpreted to transfer liability for any tax from you to Legg Mason or any other individual or entity. If, upon your separation from service, you are a "specified employee" within the meaning of Section 409A, any payment under this Agreement that is subject to Section 409A, payable as a result of your separation from service, and would otherwise be paid within six months after your separation from service will instead be paid, without interest, in the seventh month following your separation from service (to the extent required by Section 409A(a)(2)(B)(i)).
- (c) Notwithstanding any other provision of this Letter Agreement or any plan, arrangement or agreement between you and Legg Mason to the contrary, if any of the payments or benefits provided or to be provided by Legg Mason to you pursuant to the terms of this Letter Agreement or otherwise ("*Covered Payments*") constitute parachute payments ("*Parachute Payments*") within the meaning of Section 280G of the Internal Revenue Code and would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code, then the Covered Payments shall be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is nondeductible under Section 280G of the Internal Revenue Code or subject to the excise tax under Section 4999 of the Internal Revenue Code. Any such reduction in the Covered Payments will be made first by reducing the amount of the Retention Incentive. Any determination required under this Section 5(c) shall be made by an independent accounting firm designated by Legg Mason (the "*Accounting Firm*") prior to the Closing, whose determination shall be conclusive and binding upon you and Legg Mason for all purposes.
- (d) By signing this Letter Agreement you acknowledge and agree that Legg Mason does not make any representation as to the tax consequences of any compensation or benefits and that you are solely responsible for any income, employment or other taxes imposed on you with respect to any and all compensation or other benefits provided to you.

6. Governing Law and Dispute Resolution.

- (a) This Letter Agreement will be interpreted and enforced in accordance with the laws of the State of Maryland.
- (b) In the event that you bring a legal action, or any dispute, claim or controversy relating to this Letter Agreement, your employment or the termination thereof, against Legg Mason

or any party connected to Legg Mason, you agree that, at the option of Legg Mason, you will submit to arbitration. If you are associated in any capacity with a registered broker-dealer, you agree to arbitrate under the Constitution and Rules of the Financial Industry Regulatory Authority, Inc. If you are not associated with a registered broker-dealer, or the FINRA Arbitration forum is not otherwise available to you, you agree to arbitrate under the auspices of the American Arbitration Association ("AAA") in the location of Legg Mason's choosing pursuant to the AAA's employment arbitration rules, including, but not limited to, the rules and procedures applicable to the selection of arbitrators.

- (c) You agree that any breach or threatened breach of your obligations in section 3 of this Letter Agreement will cause Legg Mason substantial and irrevocable damage for which it would have no adequate remedy and thus agree that, in addition to all other remedies that may be available, Legg Mason shall be entitled to a temporary or permanent injunction or other equitable relief against any such breach or threatened breach, without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. Nothing contained herein shall be construed as prohibiting Legg Mason from pursuing any other remedies now or hereafter available at law or equity or by statute or otherwise for any actual or threatened breach of section 3.

7. Other.

- (a) This Letter Agreement may not be modified or varied except in writing signed by you and an authorized representative of Legg Mason.
- (b) This Letter Agreement does not compel or require Legg Mason to complete the Transaction. If the Closing does not occur for any reason whatsoever, the terms of this Letter Agreement will have no force or effect and you will not be entitled to the Retention Incentive.
- (c) You acknowledge and agree that this Letter Agreement contains the entire agreement and understanding concerning the Retention Incentive between you and Legg Mason, and that it supersedes and replaces any prior agreements and representations with respect to the Retention Incentive, whether written or oral.
- (d) By signing below, you also acknowledge that you have carefully read this Letter Agreement in its entirety, that you have had an adequate opportunity to consider it and to consult with any advisors of your choice about it, that you understand all the terms of this Letter Agreement and their significance, that you are signing this Letter Agreement knowingly and voluntarily, and that you knowingly and voluntarily assent to all the terms and conditions contained herein.

* * *

Please sign and return this letter to me within seven (7) days of receipt. Please note that if you do not return the signed letter within seven (7) days, the offer described here shall be null and void unless Legg Mason determines otherwise.

Sincerely,

Carol Anthony "John" Davidson
Lead Independent Director
LEGG MASON, Inc.

So acknowledged and agreed:

Name: _____ Date: _____

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Section 3: EX-10.2 (EXHIBIT 10.2)

EXHIBIT 10.2

[DATE], 2020

[NAME]
[ADDRESS]

Re: Retention Letter Agreement (the "*Letter Agreement*")

Dear [NAME],

In connection with the transaction (the "*Transaction*") by and between Legg Mason, Inc. (together with its affiliates, subsidiaries, successors or parent companies, "*Legg Mason*") and Franklin Resources, Inc. (together with its affiliates and subsidiaries, "*Franklin*"), we are pleased to offer you a retention incentive to encourage you to remain actively employed through the date of the closing of the Transaction (the "*Closing*" and such date, the "*Closing Date*"), subject to the terms and conditions set forth in this Letter Agreement. The period commencing on the date of this Letter Agreement through the Closing Date is referred to in this Letter Agreement as the "*Retention Period*".

1. Retention Incentive Payment.

- (a) Provided that you remain continuously employed with Legg Mason through the Closing Date, and comply with the covenants described in section 3 below, Legg Mason will pay you a one-time cash payment equal to the greater of (i) fifty percent (50%) of total compensation (base salary plus gross annual incentive compensation and, if applicable, commission received for the most recently completed fiscal year) or (ii) seventy-five percent (75%) of base salary (as in effect on the date hereof), pro-rated for the period from February 18, 2020 until the Closing Date (the "*Retention Incentive*"). The Retention Incentive will be paid to you no later than Franklin's first regularly scheduled payroll date immediately following the Closing Date.
- (b) During the Retention Period, you agree to reasonably cooperate during the Transaction process including (i) continuing to satisfactorily perform your assigned job duties consistent with your position and all applicable workplace policies, and (ii) reasonably cooperating with Legg Mason to ensure the orderly transition of your job duties, responsibilities and knowledge. Any determination that you have not met these standards may only be made by the Legg Mason Board of Directors prior to the Closing Date.

2. Severance Package.

- (a) You will be also eligible for severance pay and related benefits under the terms of the letter agreement entered into between you and Legg Mason dated May 21, 2019 (the "*May 2019 Agreement*") if you are involuntarily terminated other than for "Cause" (as

defined below) on or before September 30, 2020. If you remain employed by Legg Mason or Franklin following September 30, 2020, you will be eligible for severance pay and related benefits under the terms of the Legg Mason & Co., LLC Severance Benefits Plan for Reductions in Force, effective February 15, 2019, as such plan may be amended (the "*Severance Plan*"). If you are eligible for severance pay and related benefits, you will be required to sign and not revoke a separation agreement and release of claims as a condition to receiving your severance pay and related benefits.

- (b) For purposes of this Letter Agreement, and notwithstanding any otherwise applicable definition of "Cause" set forth in the May 2019 Agreement or the Severance Plan, "Cause" shall mean any one or more of the following: (i) your material breach of any material obligation to Legg Mason or your duty of loyalty to Legg Mason, (ii) willful misconduct that is materially injurious to Legg Mason, monetarily or otherwise; (iii) material violation of, or willful act or failure to act which causes Legg Mason to be in violation of, any government statute or regulation, or of the constitution, by-laws, rules or regulations of any securities or commodities exchange or a self-regulatory organization, or of the policies of Legg Mason; (iv) the entering of an order or decree or the taking of any similar action with respect to which you are substantially impaired from performing your duties or makes you ineligible from being associated with Legg Mason pursuant to Section 9 of the Investment Company Act of 1940, as amended, or Section 203(f) of the Investment Advisers Act of 1940, as amended; (v) your conviction of a felony; (vi) your willful failure to devote substantially all professional time to assigned duties and to the business of Legg Mason other than when on approved PTO or an approved leave of absence; (vii) your gross misconduct or gross negligence in the performance of duties; (viii) your failure to remain licensed to perform duties or other act, conduct or circumstance which renders you ineligible for employment with Legg Mason; or; (ix) your material misconduct or material dishonesty in connection with your employment, including any material breach or violation of Legg Mason's policies and procedures as set forth in the Employee Handbook and Code of Conduct, including all provisions related to discrimination, harassment, and retaliation. In order for any termination to be for "Cause" hereunder other than pursuant to clause (iv) or (v), Legg Mason must provide you written notice of the grounds for a Cause termination and you must fail to materially cure such grounds within 15 days following your receipt of such notice. Any determination that you have committed an act constituting "Cause" may only be made by the Legg Mason Board of Directors prior to the Closing Date.

3. Restrictive Covenants.

- (a) As an inducement to Legg Mason to enter into this Agreement, and as a condition of your eligibility for the benefits described in this Agreement and to preserve the goodwill associated with the business of Legg Mason, you agree that, during the Restricted Period (as defined below), you will not, directly or indirectly, for yourself or on behalf of a third party, solicit or induce any employee of Legg Mason to terminate his/her employment or to become employed elsewhere. "Restricted Period"

shall mean the period beginning on the date of this Letter Agreement and continuing until the 12-month anniversary of your termination of employment with Legg Mason (regardless of the reason for such termination). In addition, in consideration of the Retention Incentive and the Company's obligations under this Letter Agreement, you have entered into the Non-Competition Agreement with the Company attached hereto as Exhibit A. This paragraph applies in addition to any other covenants in any other agreement between you and Legg Mason, and all covenants will be applied in order to provide Legg Mason with the broadest possible protection.

- (b) You further agree that you will not disparage, defame, or otherwise represent in a negative light Legg Mason or its related entities and any of their officers, directors or employees, services, products, or processes. In addition, Legg Mason and its related entities agree, and shall use their best efforts to cause the related entities' chief executive officers to agree, to not disparage, defame, or otherwise represent you in a negative manner and will not make or publish any statement critical of you, or in any way adversely affecting or otherwise maligning your reputation. This agreement does not bar you or the Company from communicating truthfully with a government agency or testifying, assisting or participating in any governmental investigation, proceeding or hearing conducted by a government agency, including by providing documents or other information.
- (c) You also agree that you will not disclose or authorize the disclosure of (i) the terms of this Letter Agreement or its existence, except to the extent reasonably necessary for you to obtain personal legal, accounting or taxation advice or to your immediate family members; provided that you instruct any such immediate family member or advisors of the confidential nature of such information; or (ii) any information related to the Transaction that is not publicly available, except, in the case of each of clauses (i) and (ii), as may be required by law, as permitted by applicable whistleblower legislation, or as directed or authorized by Legg Mason.
- (d) By entering into this Letter Agreement, you acknowledge that the covenants set forth in this section 3 are reasonable and properly required for the adequate protection of the interests of Legg Mason, including Legg Mason's goodwill, confidential information, and intellectual property, and such covenants represent only a limited restraint and allow you to pursue your livelihood and occupation without unreasonable or unfair restrictions. However, if any restriction set forth in this section 3 is found by any adjudicator of competent jurisdiction to be unenforceable (for example, because it extends for too long a period of time), this Letter Agreement shall be deemed amended solely to the extent necessary to render the otherwise unenforceable restriction, and the rest of the Letter Agreement, valid and enforceable.

4. Employment-At-Will.

- (a) Nothing contained in this Letter Agreement shall be construed as a promise of continuous employment for any definite term, including, without limitation, for the Retention Period.

The employment relationship remains “at-will,” which affords either you or Legg Mason the right to terminate the employment relationship at any time for any or no reason not expressly prohibited by law.

5. Taxes.

- (a) All compensation and benefits described in this Letter Agreement will be subject to applicable tax and other withholdings and deductions.
- (b) The provisions of this Letter Agreement are intended to be exempt from, or to comply with, Section 409A of the Internal Revenue Code (“*Section 409A*”). However, nothing in this Letter Agreement shall be interpreted to transfer liability for any tax from you to Legg Mason or any other individual or entity. If, upon your separation from service, you are a “specified employee” within the meaning of Section 409A, any payment under this Agreement that is subject to Section 409A, payable as a result of your separation from service, and would otherwise be paid within six months after your separation from service will instead be paid, without interest, in the seventh month following your separation from service (to the extent required by Section 409A(a)(2)(B)(i)).
- (c) Notwithstanding any other provision of this Letter Agreement or any plan, arrangement or agreement between you and Legg Mason to the contrary, if any of the payments or benefits provided or to be provided by Legg Mason to you pursuant to the terms of this Letter Agreement or otherwise (“*Covered Payments*”) constitute parachute payments (“*Parachute Payments*”) within the meaning of Section 280G of the Internal Revenue Code and would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code, then the Covered Payments shall be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is nondeductible under Section 280G of the Internal Revenue Code or subject to the excise tax under Section 4999 of the Internal Revenue Code. Any such reduction in the Covered Payments will be made first by reducing the amount of the Retention Incentive. Any determination required under this Section 5(c) shall be made by an independent accounting firm designated by Legg Mason (the “*Accounting Firm*”) prior to the Closing, whose determination shall be conclusive and binding upon you and Legg Mason for all purposes.
- (d) By signing this Letter Agreement you acknowledge and agree that Legg Mason does not make any representation as to the tax consequences of any compensation or benefits and that you are solely responsible for any income, employment or other taxes imposed on you with respect to any and all compensation or other benefits provided to you.

6. Governing Law and Dispute Resolution.

- (a) This Letter Agreement will be interpreted and enforced in accordance with the laws of the State of Maryland.

- (b) In the event that you bring a legal action, or any dispute, claim or controversy relating to this Letter Agreement, your employment or the termination thereof, against Legg Mason or any party connected to Legg Mason, you agree that, at the option of Legg Mason, you will submit to arbitration. If you are associated in any capacity with a registered broker-dealer, you agree to arbitrate under the Constitution and Rules of the Financial Industry Regulatory Authority, Inc. If you are not associated with a registered broker-dealer, or the FINRA Arbitration forum is not otherwise available to you, you agree to arbitrate under the auspices of the American Arbitration Association (“AAA”) in the location of Legg Mason’s choosing pursuant to the AAA’s employment arbitration rules, including, but not limited to, the rules and procedures applicable to the selection of arbitrators.
- (c) You agree that any breach or threatened breach of your obligations in section 3 of this Letter Agreement will cause Legg Mason substantial and irrevocable damage for which it would have no adequate remedy and thus agree that, in addition to all other remedies that may be available, Legg Mason shall be entitled to a temporary or permanent injunction or other equitable relief against any such breach or threatened breach, without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. Nothing contained herein shall be construed as prohibiting Legg Mason from pursuing any other remedies now or hereafter available at law or equity or by statute or otherwise for any actual or threatened breach of section 3.

7. Other.

- (a) This Letter Agreement may not be modified or varied except in writing signed by you and an authorized representative of Legg Mason.
- (b) This Letter Agreement does not compel or require Legg Mason to complete the Transaction. If the Closing does not occur for any reason whatsoever, the terms of this Letter Agreement will have no force or effect and you will not be entitled to the Retention Incentive.
- (c) You acknowledge and agree that this Letter Agreement contains the entire agreement and understanding concerning the Retention Incentive between you and Legg Mason, and that it supersedes and replaces any prior agreements and representations with respect to the Retention Incentive, whether written or oral.
- (d) By signing below, you also acknowledge that you have carefully read this Letter Agreement in its entirety, that you have had an adequate opportunity to consider it and to consult with any advisors of your choice about it, that you understand all the terms of this Letter Agreement and their significance, that you are signing this Letter Agreement knowingly and voluntarily, and that you knowingly and voluntarily assent to all the terms and conditions contained herein.

* * *

Please sign and return this letter to me within seven (7) days of receipt. Please note that if you do not return the signed letter within seven (7) days, the offer described here shall be null and void unless Legg Mason determines otherwise.

Sincerely,

Carol Anthony "John" Davidson
Lead Independent Director
LEGG MASON, Inc.

So acknowledged and agreed:

Name: _____ Date: _____

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Section 4: EX-10.3 (EXHIBIT 10.3)

EXHIBIT 10.3

[DATE], 2020

[NAME]
[ADDRESS]

Re: Retention Letter Agreement (the "*Letter Agreement*")

Dear [NAME],

In connection with the transaction (the "*Transaction*") by and between Legg Mason, Inc. (together with its affiliates, subsidiaries, successors and parent companies "*Legg Mason*") and Franklin Resources, Inc. (together with its affiliates and subsidiaries, "*Franklin*"), we are pleased to offer you a retention incentive to encourage you to remain actively employed through the date of the closing of the Transaction (the "*Closing*" and such date, the "*Closing Date*"), subject to the terms and conditions set forth in this Letter Agreement. The period commencing on the date of this Letter Agreement through the Closing Date is referred to in this Letter Agreement as the "*Retention Period*".

1. Retention Incentive Payment.

- (a) Provided that you: (i) remain continuously employed with Legg Mason through the Closing Date; (ii) comply with the terms of this Letter Agreement; and (iii) continue to comply with the terms of your Service Agreement dated April 1, 2013 (the "*Service Agreement*"), Legg Mason will pay you a one-time cash payment equal to the greater of: (i) fifty percent (50%) of your total compensation (i.e., the sum of your base salary as in effect on the date hereof, plus your annual incentive compensation for the most recently completed fiscal year and, if applicable, the commission you received for the most recently completed fiscal year); or (ii) seventy-five percent (75%) of your base salary (as in effect on the date hereof), in the case of each of clauses (i) and (ii), pro-rated for the period from February 18, 2020 until the Closing Date (the "*Retention Incentive*"). The Retention Incentive will be paid to you no later than Franklin's first regularly scheduled payroll date immediately following the Closing Date.
- (b) During the Retention Period, you agree to reasonably cooperate with the Transaction process including (i) continuing to satisfactorily perform your assigned job duties consistent with your position and all applicable workplace policies, and (ii) reasonably cooperating with Legg Mason to ensure the orderly transition of your job duties, responsibilities and knowledge. Any determination that you have not met these standards may only be made by the Legg Mason Chief Executive Officer or Board of Directors prior to the Closing Date.

2. Restrictive Covenants.

- (a) As an inducement to Legg Mason to enter into this Letter Agreement, and as a condition of your eligibility for the benefits described in this Letter Agreement and to preserve the goodwill associated with the business of Legg Mason, you re-affirm your agreement to comply with the post-termination restrictions contained in clause 19 of your Service Agreement and acknowledge that any breach of those restrictions (as determined by Legg Mason in its sole discretion) will result in any benefits under this Letter Agreement becoming immediately repayable as a debt upon demand by Legg Mason.

- (b) You further agree that you will not disparage, defame, or otherwise represent in a negative light Legg Mason or its related entities and any of their officers, directors or employees, services, products, or processes. In addition, Legg Mason and its related entities agree to use their reasonable best efforts to cause each related entity's chief executive officer to not disparage, defame, or otherwise represent you in a negative manner and will not make or publish any statement critical of you, or in any way adversely affecting or otherwise maligning your reputation. This Letter Agreement does not bar you or the Company or its related entities from communicating truthfully with a government agency or testifying, assisting or participating in any governmental investigation, proceeding or hearing conducted by a government agency, including by providing documents or other information.
- (c) You also agree that you will not disclose or authorize the disclosure of (i) the terms of this Letter Agreement or its existence, except to the extent reasonably necessary for you to obtain personal legal, accounting or taxation advice or to your immediate family members; provided that you instruct any such immediate family member or advisors of the confidential nature of such information; or (ii) any information related to the Transaction that is not publicly available, except, in the case of each of clauses (i) and (ii), as may be required by law, as permitted by applicable whistleblower legislation, or as directed or authorized by Legg Mason.
- (d) By entering into this Letter Agreement, you acknowledge that the covenants referred to in your Service Agreement and/or set forth in this section 2 are reasonable and properly required for the adequate protection of the interests of Legg Mason, including Legg Mason's goodwill, confidential information, and intellectual property, and such covenants represent only a limited restraint and allow you to pursue your livelihood and occupation without unreasonable or unfair restrictions. However, if any restriction set forth in this section 2 is found by any adjudicator of competent jurisdiction to be unenforceable (for example, because it extends for too long a period of time), this Letter Agreement shall be deemed amended solely to the extent necessary to render the otherwise unenforceable restriction, and the rest of the Letter Agreement, valid and enforceable.

3. No Change to Existing Employment Terms.

- (a) Unless expressly provided for in this Letter Agreement, nothing contained in this Letter Agreement shall be construed to amend or modify the terms of your Service Agreement, which shall continue to apply in full both during and, where applicable, following termination of your employment with Legg Mason

4. Taxes.

- (a) All compensation and benefits described in this Letter Agreement will be subject to applicable tax and other withholdings and deductions.
- (b) By signing this Letter Agreement you acknowledge and agree that Legg Mason does not make any representation as to the tax consequences of any compensation or benefits and that you are solely responsible for any income, employment or other taxes imposed on you with respect to any and all compensation or other benefits provided to you.

5. General Provisions.

- (a) This Letter Agreement will be interpreted and enforced in accordance with the laws of England and Wales, and the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Letter Agreement or its subject matter or formation (including non-contractual disputes or claims).
- (b) This Letter Agreement may not be modified or varied except in writing signed by you and an authorized representative of Legg Mason.
- (c) This Letter Agreement does not compel or require Legg Mason to complete the Transaction. If the Closing does not occur for any reason whatsoever, the terms of this Letter Agreement will have no force or effect and you will not be entitled to the Retention Incentive.
- (d) You acknowledge and agree that this Letter Agreement contains the entire agreement and understanding concerning the Retention Incentive between you and Legg Mason, and that it supersedes and replaces any prior agreements and representations with respect to the Retention Incentive, whether written or oral.
- (e) By signing below, you also acknowledge that you have carefully read this Letter Agreement in its entirety, that you have had an adequate opportunity to consider it and to consult with any advisors of your choice about it, that you understand all the terms of this Letter Agreement and their significance, that you are signing this Letter Agreement knowingly and voluntarily, and that you knowingly and voluntarily assent to all the terms and conditions contained herein.

* * *

Sincerely,

Carol Anthony "John" Davidson
Lead Independent Director
LEGG MASON, INC.

So acknowledged and agreed:

Name: _____ Date: _____

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Section 5: EX-10.4 (EXHIBIT 10.4)

EXHIBIT 10.4

NON-COMPETITION AGREEMENT

This NON-COMPETITION AGREEMENT (this "Agreement") is made and entered into as of this [] day of [] 2020, by and between Legg Mason, Inc., a Maryland corporation (together with its subsidiaries "the Company") and Joseph A. Sullivan ("Executive") (each, a "Party" and together, the "Parties"). This Agreement is contingent upon, and effective as of, the consummation of the transactions contemplated by the Agreement and Plan of Merger among Franklin Resources, Inc., Alpha Sub, Inc. and the Company dated as of February 17, 2020 (the "Merger Agreement"). In the event that the Merger Agreement is terminated pursuant to its terms, this Agreement shall be of no further force or effect.

Section 1. Consideration for Agreement.

As consideration for Executive entering into this Agreement, the Company intends to provide Executive with a "Retention Incentive" pursuant to the terms of a Retention Letter Agreement entered into by the Parties dated as of [], 2020. Executive agrees that Executive's entitlement to and retention of the Retention Incentive is conditioned on Executive's continued compliance with this Agreement.

Section 2. Non-Competition.

Executive acknowledges that, during Executive's employment with the Company, Executive has and will become familiar with the Company's trade secrets and with other confidential information concerning the Company, and that Executive's services shall be of special, unique and extraordinary value to the Company. Executive further acknowledges and agrees that the Company would be irreparably damaged if Executive were to provide services to any Competitor (as defined below), and that such competition by Executive would result in a significant loss of goodwill and profits by the Company.

Therefore, in consideration of the Retention Incentive and the Parties' obligations under the Retention Letter Agreement and this Agreement, Executive agrees that during Executive's employment with the Company and for the twelve (12) month period commencing on the date of Executive's termination of employment with the Company for any reason (the "Restricted Period"), Executive shall not, directly or indirectly, either for itself or through any other Person, own any interest in, manage, control, participate in (including any direct or indirect interest in any enterprise, whether as an officer, director, manager, employee, independent contractor, partner, equity holder, member, agent, representative, shareholder, partner, joint venturer, franchisor, franchisee or otherwise), consult with, or render services for, anywhere the Company currently conducts business or proposes to conduct business, any Competitor (as defined below); provided, that the foregoing shall not restrict Executive from owning less than two percent (2%) of the stock of a publicly held corporation.

The term "Competitor" shall mean any of the following corporations, and each of their respective subsidiaries: Affiliated Managers Group Inc., AllianceBernstein Holding LP, BlackRock Inc., Eaton Vance Corp., Federated Investors Inc., Invesco Ltd., Janus Henderson Group PLC, Morgan Stanley, State Street Corporation, T. Rowe Price Group Inc., The Bank of New York Mellon Corporation, and any successor company of any of the foregoing to the extent engaged in the asset management business in the event of a merger, acquisition or similar transaction.

Executive acknowledges and agrees that the restrictions on competition in this Section 2 are reasonable and valid in geographical and temporal scope and in all other respects.

Section 3. Independence; Severability; Blue Pencil.

Each of the rights enumerated in this Agreement shall be independent of the others and shall be in addition to and not in lieu of any other rights and remedies available to the Company at law or in equity. If any of the provisions of this Agreement or any part of any of them is hereafter construed or adjudicated to be invalid or unenforceable in any respect, the same shall not affect the remainder of this Agreement, which shall be given full effect without regard to the invalid portions. If any of the covenants contained herein are held to be invalid or unenforceable because of the duration of such provisions or the area or scope covered thereby, the court making such determination shall have the power to reduce the duration, scope, and/or area of such provision to the maximum and/or broadest duration, scope, and/or area permissible by law, and in its reduced form said provision shall then be enforceable. Such reduction will apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made.

Section 4. Remedies.

Executive agrees that any breach or threatened breach of any of the terms and/or conditions set forth in this Agreement may result in substantial, continuing, and irreparable injury to the Company. Therefore, the Company has the right to seek temporary, preliminary, and/or permanent injunctive relief, specific performance, or other equitable relief from any court of competent jurisdiction in the event of any breach or threatened breach of the terms of this Agreement, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The Company may pursue any remedy available, including declaratory relief, concurrently or consecutively in any order, and the pursuit of one such remedy at any time will not be deemed an election of remedies or waiver of the right to pursue any other remedy.

Section 5. General Provisions.

(a) **GOVERNING LAW; WAIVER OF JURY TRIAL. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MARYLAND, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAWS, AND TO APPLICABLE FEDERAL LAW. EACH PARTY TO THIS AGREEMENT ALSO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY SUIT, ACTION, OR PROCEEDING UNDER OR IN CONNECTION WITH THIS AGREEMENT.**

(b) Entire Agreement; Amendment; Waiver. This Agreement and the Retention Letter Agreement set forth the entire agreement and understanding between the Parties relating to the subject matter herein. This Agreement supersedes all prior and contemporaneous negotiations, discussions, correspondence, communications, understandings, agreements, representations, promises, and any other statements, both written and oral, between the Parties relating to the subject matter of this Agreement. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, or consent required by this Agreement, will be effective unless agreed to in a writing signed by the Parties. Any subsequent change or changes in Executive's duties, obligations, rights, or compensation will not affect the validity or scope of this Agreement.

(c) Successors and Assigns. This Agreement will be binding upon Executive's heirs, executors, administrators, and other legal representatives and will be for the benefit of the Company, its successors, and its assigns. This Agreement may be assigned by the Company without Executive's consent to any subsidiary or affiliate of the Company as well as to any purchaser of all or substantially all of the assets or business of the Company, whether by purchase, merger, or other similar corporate transaction. Executive's obligations under this Agreement may not be delegated, and Executive may not assign or otherwise transfer this Agreement or any part hereof. Any purported assignment by Executive shall be null and void from the

initial date of purported assignment. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and not for the benefit of, or enforceable by, any third party.

(d) Acknowledgment. Executive acknowledges that he has had adequate time to consider the terms of this Agreement, has knowingly and voluntarily entered into this Agreement and has been advised by the Company to seek the advice of independent counsel prior to reaching agreement with the Company on any of the terms of this Agreement. The Parties agree that no rule of construction shall apply to this Agreement which construes ambiguous language in favor of or against any party by reason of that party's role in drafting this Agreement.

(e) Survival. The provisions of this Agreement shall survive the termination of Executive's employment with the Company and/or the assignment of this Agreement by the Company to any successor in interest or other assignee.

(f) Section Headings. Section and subsection headings are inserted for convenience only and shall not limit, expand, or alter the meaning or interpretation of this Agreement.

(g) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same instrument. Delivery of an executed counterparts signature page of this Agreement, by facsimile or electronic mail in portable document format (.pdf), has the same effect as delivery of an executed original of this Agreement.

(h) Notice. Any notice provided for in this Agreement must be in writing and must be either personally delivered or sent by reputable overnight courier service (charges prepaid) or sent by registered or certified U.S. Mail (postage prepaid) to the recipient at the addresses listed below, with copies (which shall not constitute notice) by email where so indicated:

To the Company or its Board of Directors:

Legg Mason, Inc.
100 International Drive
Baltimore, Maryland 21202
Email: TCMerchant@LeggMason.com
Attn: Thomas C. Merchant

To the Executive:

At the mailing address (or to the email address) shown
in the books and records of the Company

or such other address or to the attention of such other person as the recipient Party will have specified by prior written notice to the sending Party. Any notice under this Agreement will be deemed to have been given upon the earlier of (a) actual receipt, or (b)(i) one business day after the business day of deposit with a nationally recognized overnight courier service for next day delivery, freight prepaid, or (ii) three business days after deposit with the United States Post Office for delivery by registered or certified mail, postage prepaid.

[SIGNATURE PAGE FOLLOWS]

The undersigned have executed this Agreement on the date in the preamble hereto.

LEGG MASON, INC.

By: Thomas C. Merchant
Title: General Counsel

EXECUTIVE

Joseph A. Sullivan

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