File No. 803-_____

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

In the matter of

T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, Maryland 21202

T. Rowe Price International Ltd
60 Queen Victoria Street
London, EC4N 4TZ

AMENDMENT NO. 1 TO AND RESTATEMENT OF APPLICATION FOR AN ORDER PURSUANT TO SECTION 206A OF THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED, AND RULE 206(4)-5(e) THEREUNDER, EXEMPTING T. ROWE PRICE ASSOCIATES, INC. AND T. ROWE PRICE INTERNATIONAL LTD FROM SECTION 206(4) OF THE INVESTMENT ADVISERS ACT OF 1940, AND RULE 206(4)-5(a)(1) THEREUNDER

Please send all communications to:

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T. Rowe Price Associates, Inc.
100 East Pratt Street
Baltimore, MD 21202

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Washington, DC 20005

This Application, including Exhibits, consists of 35 pages
Exhibit Index appears on page 21

UNITED STATES OF AMERICA
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In the matter of T. Rowe Price Associates, Inc. and T. Rowe Price International Ltd	AMENDMENT NO. 1 TO AND RESTATEMENT OF APPLICATION FOR AN ORDER PURSUANT TO SECTION 206A OF THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED, AND RULE 206(4)-5(e) THEREUNDER, EXEMPTING T. ROWE PRICE ASSOCIATES, INC. AND T. ROWE PRICE INTERNATIONAL LTD FROM SECTION 206(4) OF THE INVESTMENT ADVISERS ACT OF 1940, AND RULE 206(4)-5(a)(1) THEREUNDER

I. PRELIMINARY STATEMENT AND INTRODUCTION

T. Rowe Price Associates, Inc. ("TRPA") and T. Rowe Price International Ltd ("TRPIL" and, together with TRPA, the "Advisers" or the "Applicants") hereby amend and restate their application to the Securities and Exchange Commission (the "Commission") for an order pursuant to Section 206A of the Investment Advisers Act of 1940, as amended (the "Act"), and Rule 206(4)-5(e), exempting the Advisers from the two-year prohibition on compensation imposed by Rule 206(4)-5(a)(1) under the Act for investment advisory services provided to the government entities described below within the two-year period following a contribution to a candidate by a covered associate as described in this Application, subject to the representations set forth herein (the "Application").

Section 206A of the Act authorizes the Commission to "conditionally or unconditionally exempt any person or transaction . . . from any provision or provisions of [the Act] or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of [the Act]."

Section 206(4) of the Act prohibits investment advisers from engaging in any act, practice or course of business which is fraudulent, deceptive or manipulative and directs the Commission to adopt such rules and regulations, define and prescribe means reasonably designed to prevent, such acts, practices or courses of business. Under this authority, the Commission adopted Rule 206(4)-5 (the "Rule"), which prohibits a registered investment adviser from providing "investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser."

The term "government entity" is defined in Rule 206(4)-5(f)(5)(ii) as including a pool of assets sponsored or established by a State or political subdivision, or any agency, authority or instrumentality thereof, including a defined benefit plan. The definition of an "official" of such government entity in Rule 206(4)-5(f)(6)(ii) includes the holder of an elective office with authority to appoint a person directly or indirectly able to influence the outcome of the government entity's hiring of an investment adviser. The "covered associates" of an investment adviser are defined in Rule 206(4)-5(f)(2)(ii) as including, among others, any person who supervises, directly or indirectly, an employee of the investment adviser who solicits a government entity for the adviser. Rule 206(4)-

5(c) specifies that, when a government entity invests in a covered investment pool, the investment adviser to that covered investment pool will be treated as providing advisory services directly to the government entity. "Covered investment pool" is defined in Rule 206(4)-5(f)(3)(ii) as including any company that would be an investment company under Section 3(a) of the Investment Company Act of 1940, as amended (the "1940 Act"), but for the exclusion provided from that definition by Section 3(c)(11) of the 1940 Act.

Rule 206(4)-5(b) provides exceptions from the two-year prohibition under Rule 206(4)-5(a)(1) with respect to contributions that do not exceed a *de minimis* threshold, were made by a person more than six months before becoming a covered associate, or were discovered by the adviser and returned by the official within a specified period and subject to certain other conditions. Should no exception be available, Rule 206(4)-5(e) permits an investment adviser to apply for, and the Commission to conditionally or unconditionally grant, an exemption from the Rule 206(4)-5(a)(1) prohibition on compensation.

In determining whether to grant an exemption, the Rule contemplates that the Commission will consider, among other things, (i) whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; (ii) whether the investment adviser: (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule; (B) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in

making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election (*e.g.*, Federal, State or local); and (vi) the contributor's apparent intent or motive in making the contribution that resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

Based on these considerations and the facts described in this Application, the Applicants respectfully submit that the relief requested herein is appropriate in the public interest and is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Accordingly, the Applicants request an order exempting them to the extent described herein from the prohibition under Rule 206(4)-5(a)(1) to permit them to receive compensation for investment advisory services provided to government entities within the two-year period following the contributions identified herein to an official of such government entities by a covered associate of the Applicants.

II. STATEMENT OF FACTS

A. The Applicants

The Advisers are registered with the Commission as investment advisers under the Act. T. Rowe Price Group, Inc. ("TRPG") is the parent company of both entities. The Advisers act as adviser or subadviser to registered investment companies ("RICS") under the 1940 Act. In addition, TRPIL acts as an adviser to the T. Rowe Price Trust

Company ("TRPTC") in connection with assets of defined contribution and benefit plans of companies and governmental entities that are invested in the Emerging Markets Equity Trust Fund, a common trust fund exempt under section (3)(c)(11) of the 1940 Act and of which TRPTC is the Trustee (the "Fund"). The RICs are "covered investment pools," as defined in Rule 206(4)-5(f)(3)(i), and the Fund is a "covered investment pool," as defined in Rule 206(4)-5(f)(3)(ii). As of December 31, 2013, TRPA had approximately $689.29 billion in regulatory assets under management ("RAUM") and TRPIL had approximately $73.89 billion in RAUM.

B. The Contributor

The individual who made the campaign contribution that triggered the two-year compensation ban (the "Contribution") is Michael McGonigle (the "Contributor"). The Contributor lives and votes in Maryland, and is a Vice President of TRPG and TRPA. He has been a director of credit research in the Fixed Income Division since 2010 and is a member of the Fixed Income Steering Committee. In his role as a director of credit research, he supervises approximately 15 research analysts in TRPA and 8 research analysts in TRPIL. The Contributor is, therefore, a "covered associate" of TRPA and TRPIL, as defined in Rule 206(4)-5(f)(2)(ii). The TRPIL analysts that report to him are primarily based in London, England. The analysts are responsible for providing investment ideas to portfolio management teams, and may occasionally meet with government entity clients or prospective clients, or with consultants for prospective clients, but solely in their role as analysts to describe the research process. The Advisers have identified only one meeting with a Wisconsin government entity client at which an analyst supervised by the Contributor was present since March 14, 2011, the effective

date of the Rule (in August, 2011). The Contributor has not participated in any such meetings with any state or local government entity client or prospective client of the Advisers since the effective date of the Rule.

C. The Government Entities

Certain participant-directed public pension plans that are Wisconsin government entities offer mutual funds managed or subadvised by the Advisers as investment options. Moreover, one Wisconsin state public pension plan had an investment in the Fund since 2003 (this Client subsequently withdrew its investment between 2011 and 2012). Throughout the application, these Wisconsin government entities are referred to individually as a "Client" and collectively as the "Clients."

D. The Official

The recipient of the Contribution was Scott Walker (the "Official"), the Governor of Wisconsin, who took office in January 2011. The investment decisions for each Client are overseen by the Client's board of trustees (the "Board" or the "Boards"), to which the Governor appoints certain members. The Governor is not authorized to serve directly on any Board, or to be involved in the Clients' investment decisions. However, due to the power of appointment, the Governor is an "official" of the Clients under the Rule. The Official was elected on November 2, 2010 and took office on January 3, 2011. Subsequently, the Official was in a recall election. The Official won both the recall primary election held on May 8, 2012, and the recall general election held on June 5, 2012.

E. The Contribution

As was widely reported at the time, the Official was in a recall election in 2012. The Contribution was made on February 5, 2012 to the Official's recall primary election campaign for the amount of $250. The Wisconsin Campaign Finance Information System reported it as received by the campaign on February 26, 2012. The Contribution triggered Rule 206(4)-5's prohibition on the receipt of compensation.

Although not entitled to vote in Wisconsin elections, the Contributor was interested in the highly contentious and publicized recall election, given his political views that are in line with those of the Official. The Contributor remembers watching television coverage of the recall election and receiving telephone solicitations for political contributions during this time. To the best of the Contributor's recollection, he made the Contribution pursuant to such a telephone solicitation after becoming impassioned from watching television coverage of the recall election, and as a result, he simply forgot to follow the Advisers' pre-clearance policy and procedures. The Contributor has never met the Official or dealt with the Official in any capacity. The Contributor has never solicited or coordinated any contributions for the Official. The Contribution is consistent with other contributions made by the Contributor (which were made prior to the effective date of the Rule).

Despite the Advisers' robust policies and procedures, as described in greater detail below, the Contributor made the Contribution without pre-clearance from the Advisers' Legal department. The Contributor never told any prospective or existing investor (including the Clients) about the Contribution, and did not discuss the Contribution with the Advisers or any of the Advisers' covered associates. At no time did any employees of

the Advisers other than the Contributor have any knowledge that the Contribution had been made prior to its discovery by the Advisers in March 2014, as discussed below.

On May 31, 2012, pursuant to the Advisers' policies and procedures, the Contributor requested pre-clearance from Advisers' Legal department to make a contribution to the Official's campaign for the recall general election and received permission to make a $150 contribution. As noted above, however, the Contributor did not disclose the Contribution to the Advisers and the Advisers had no knowledge of the Contribution when the Contributor received approval for the May 31, 2012 contribution for the recall general election. Given that the $150 contribution made to the recall general election was within the *de minimis* exemption permitted under the Rule, the ban at issue results solely from the undisclosed February 2012 Contribution to the recall primary election. In other words, the Contribution causing the ban is just $100 shy of qualifying for the $150 *de minimis* exemption. For such a small amount, the ban would result in a disproportionate loss of approximately $6.1 million in fees.

F. The Investments of Clients with the Advisers

The initial selection process pursuant to which each Client decided to invest in the Fund, or to select a RIC advised or subadvised by an Adviser as an investment option in a participant-directed plan, began before the Official was elected or the Contribution was made. The Adviser's relationship with one Client dates back to at least 2003 when it invested in the Fund. This Client began withdrawing its investment from the Fund in 2011 and was fully divested in May 2012. The Clients with a RIC advised by the Advisers began their relationship with the Advisers in 2005 and 2008. Based on the Advisers' records, the Contributor has never made presentations for, or met with, any

Clients' representatives, or with any other government entities in Wisconsin or elsewhere. However, as noted above he does supervise several analysts, one of whom met with one of the Clients in August 2011 (and who is no longer employed by the Advisers). There has been no increase in the Clients' investment advisory business with the Advisers since the Contribution.

G. The Advisers' Discovery of the Error and Response

The Contribution was discovered on March 18, 2014 by the Advisers' Legal department in the course of internal compliance testing. In particular, although not required to do so, the Legal department decided to develop a testing program for checking public websites for contribution information out of an abundance of caution. In doing so, the Advisers discovered the Contribution on the website for the National Institute on Money in State Politics (www.followthemoney.org). Subsequently, the Advisers promptly began an investigative process to understand the circumstances of the Contribution, the extent of the Advisers' relationships with Wisconsin government entities, and the Contributor's involvement with existing and prospective Wisconsin government entity clients. Additionally, Contributor received the Official's agreement to return the Contribution and the subsequent $150 contribution. The check refunding the full amount of both was received on May 1, 2014.

After identifying the Contribution, the Advisers began a process to establish an escrow account and deposited an amount equal to the sum of all fees paid to the Advisers, directly or indirectly, with respect to the Clients between February 5, 2012 through February 26, 2014. The Advisers have notified the Client invested in the Fund, each affected RIC, and each Client that offers as an investment option in a participant-directed

plan an affected RIC that is directly advised by the Advisers, of the Contribution and resulting two-year prohibition on compensation absent exemptive relief from the Commission, and informed them that the fees attributable to the Clients since the date of the Contribution through the two-year period were placed in escrow and that, absent exemptive relief from the Commission, those fees would be distributed in a way that is permissible under applicable laws and the Rule.

H. The Advisers' Pay-to-Play Policies and Procedures

The Advisers' robust pay-to-play policies and procedures ("Policy") were adopted and implemented well before the Contribution was made. At the time of the Contribution, the Advisers' Policy required, and continues to require, that all employees pre-clear all political contributions made in the United States. The Advisers developed a web-based request system through which employees are required to submit their campaign contribution requests electronically to the Legal department. Once received, a member of the Legal department reviews each request to determine whether the request is permissible under federal, state, and local law and any relevant investment contracts. The Advisers strictly adhere to the $150/$350 *de minimis* thresholds for contributions that fall under SEC Rule 206(4)-(5), regardless of whether the Advisers actually have any business with a particular state or municipality.

Additionally, the Advisers' Code of Ethics describes the Advisers' preclearance policy for political contributions. All employees are required to annually complete an online Code of Ethics training course which covers the Advisers' campaign contribution preclearance policy. Employees must certify their compliance with the Code through an Annual Verification Questionnaire. This Questionnaire requires employees to certify

their compliance with the Policy. The Contributor completed his annual online training and Questionnaire certification each year since the effective date of the Rule. The Legal department or specific business units of the Advisers also occasionally send reminder emails about the Policy. As noted above, the Advisers have developed a compliance testing program to include searches of public websites for contributions made by employees, and it was in the course of developing this testing program that the Contribution was discovered by the Advisers. The Advisers have expanded this compliance testing program and are strengthening it by engaging a third party vendor to conduct searches.

III. STANDARD FOR GRANTING AN EXEMPTION

In determining whether to grant an exemption, Rule 206(4)-5(e) requires that the Commission will consider, among other things, (i) whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; (ii) whether the investment adviser, (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule; (B) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser,

or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election (*e.g.*, Federal, State or local); and (vi) the contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution. Each of these factors weighs in favor of granting the relief requested in this Application.

IV. STATEMENT IN SUPPORT OF EXEMPTIVE RELIEF

The Applicants submit that an exemption from the two-year prohibition on compensation is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. The Clients determined to select RICs advised or subadvised by the Applicants, or to invest with the Fund, and established those advisory relationships on an arms' length basis free from any improper influence as a result of the Contribution. In support of that conclusion, Applicants note that the relationships with the Clients pre-date the Contribution and that the Contributor had no interactions with the Clients before or after the Contribution. Applicant also notes that the Official's influence over the Clients is limited to appointing members of their Boards.

Given the nature of the Rule violation, and the lack of any evidence that the Advisers or the Contributor intended to, or actually did, interfere with any Client's merit-based process for the selection or retention of advisory services, the interests of the Clients are best served by allowing the Advisers and their Clients to continue their relationship uninterrupted. Causing the Advisers to serve without compensation for a two-year period could result in a financial loss that is approximately 24,000 times the

amount of the Contribution. The policy underlying the Rule is served by ensuring that no improper influence is exercised over investment decisions by governmental entities as a result of campaign contributions and not by withholding compensation as a result of unintentional violations.

The other factors suggested for the Commission's consideration in Rule 206(4)-5(e) similarly weigh in favor of granting an exemption to avoid consequences disproportionate to the violation.

Policies and Procedures before the Contribution. The Advisers adopted and implemented the Policy on the Rule's effective date, March 14, 2011, which is fully compliant with the Rule's requirements. The Advisers also began developing compliance testing that includes random searches of public campaign contribution databases for contributions by employees.

Actual Knowledge of the Contribution. It is true that knowledge of the Contribution at the time of its making could be imputed to the Advisers, given that the Contributor was deemed a covered associate of both Advisers due to supervising research analysts who are employed by the Advisers and may meet with government entity clients or prospective clients. However, at no time did any employees of the Advisers other than the Contributor have any actual knowledge that the Contribution had been made prior to its discovery by the Advisers in March 2014.

Advisers' Response After the Contribution. After learning of the Contribution, the Advisers and the Contributor took all available steps to obtain a return of the Contribution (and the permissible $150 contribution made by the Contributor to the Official's recall general election on May 31, 2012) and implement additional measures to

prevent a future error. The Advisers and Contributor obtained the Official's agreement to return both the Contribution and the May 31, 2012 contribution of $150. The full amount of both was subsequently returned on May 1, 2014. An escrow account was set up, and all fees attributable to the Clients' relationships with the Advisers accrued between February 5, 2012 and February 26, 2014 were deposited by the Advisers in the account for immediate return to the RICs or the Fund, or otherwise distributed in accordance with the Act and the Rule should an exemptive order not be granted. The Advisers now send quarterly firm-wide emails reminding employees of the political contribution pre-clearance policies and procedures, and the Advisers have expanded the compliance testing program using public websites that discovered the Contributor's Contribution that is described above, and are strengthening the program by engaging an outside vendor to conduct searches.

Status of the Contributor. The Contributor is, and has been at all relevant times, a covered associate of the Advisers. However, he has had no direct contact or involvement with any of the Clients. His only indirect involvement with one of the Clients is through a meeting on August 22, 2011, prior to his Contribution, where a research analyst who reported to the Contributor met with one of the Clients. The Contributor has had no contact with any representative of the Clients and no contact with any member of a Client's board.

Timing and Amount of the Contribution. As noted above, the Advisers' relationships with the Clients pre-date the Contribution. The Client with the investment in the Fund began to withdraw money from its investment in 2011 and divested its investment in the Fund by May 2012. The Contribution was consistent with other

political contributions made by the Contributor. The Contribution was in the amount of $250.

Nature of the Election and Other Facts and Circumstances. The nature of the election and other facts and circumstances indicate that the Contributor's apparent intent in making the Contribution was not to influence the selection or retention of the Advisers. As noted above, the Contributor has made prior contributions to support other candidates who share the political views of the Official, who was in a hotly-contested, nationally-publicized recall election. The Contributor felt impassioned about the election given the media coverage on the subject. The amount of the Contribution is consistent with the Contributor's other political donations. The Contributor had never personally met the Official.

Apart from making a request of the Official's campaign in April 2014 that the Contribution be returned, the Contributor had no contact with the Official regarding the Contribution and never discussed the Contribution with any of the Clients. The Contributor never told any prospective or existing investor (including the Clients) or any relationship manager or other employee at the Advisers about the Contribution.

Given the difficulty of proving a *quid pro quo* arrangement, the Applicants understand that adoption of a regulatory regime with a default of strict liability, like the Rule, is necessary. However, they appreciate the availability of exemptive relief at the Commission's discretion where imposition of the two-year prohibition on compensation does not achieve the Rule's purposes or would result in consequences disproportionate to the mistake that was made. The Applicants respectfully submit that such is the case with the Contribution. Neither the Advisers nor the Contributor sought to interfere with the

Clients' merit-based selection process for advisory services, nor did they seek to negotiate higher fees or greater ancillary benefits than would be achieved in arms' length transactions. There was no violation of the Advisers' fiduciary duty to deal fairly or disclose material conflicts given the absence of any intent or action by the Advisers or Contributor to influence the selection process. The Applicants have no reason to believe the Contribution undermined the integrity of the market for advisory services or resulted in a violation of the public trust in the process for awarding contracts.

V. PRECEDENT

The Applicants note that the Commission granted an exemption similar to that requested herein with respect to relief from Section 206A of the Act and Rule 206(4)-5(e) in Davidson Kempner Capital Management LLC, Investment Advisers Act Release Nos. IA-3693 (October 17, 2013) (notice) and IA-3715 (November 13, 2013) (order) (the "Davidson Kempner Application"). The facts and representations made in this Application are largely identical to the Davidson Kempner Application. However, the Applicants believe that there are also key differences between this Application and the Davidson Kempner Application that further weigh in favor of granting the exemption requested herein.

Interactions with the Official. In the Davidson Kempner Application, the contributor's contact with the Ohio State Treasurer (the "Davidson Kempner Official") concerning campaign contributions included a lunch meeting, a brief exchange of e-mails later that same afternoon, and possibly a subsequent phone call confirming the contributor's intent to contribute. In contrast, the Contributor in this Application has never met or spoken or otherwise communicated with the Official.

Interactions with the Clients. The contributor in the Davidson Kempner Application made substantive presentations to the clients' representatives both before and after the contribution. In contrast, the Contributor has never had any contact with any representative of the Clients or member of a Client's board.

Amount of the Contribution. In the Davidson Kempner Application the contribution at issue was $2,500. In contrast, the Contribution to the Official was for $250, merely $100 more than the *de minimis* contribution that would have been permitted under the Rule.

Knowledge of the Contribution. In the Davidson Kempner Application, the contributor informed the applicant's executive managing member of his interest in the Davidson Kempner Official and intention to meet with the Davidson Kempner Official. In contrast, the Contributor in this Application did not inform any officers or employees of the Applicants of his interest in the Official. Moreover, none of the Applicants' officers or employees, other than the Contributor, had any knowledge that the Contribution had been made until its discovery by the Applicants' Legal department, which did not occur until more than two years after the Contribution.

Client Investments after the Contribution. In the Davidson Kempner Application, a government entity with respect to the State of Ohio invested in the applicant's fund subsequent to the contribution that triggered the two-year compensation ban. In contrast, while the Clients in this Application have made some additional investments with the Advisers since the Contribution, there has been no increase in the amount of the Clients' investment advisory business with the Advisers since the Contribution. In fact, one Client fully divested a few months after the Contribution.

The Applicants believe that the same policies and considerations that led the Commission to grant relief in the Davidson Kempner Application are present here. In both instances, the imposition of the Rule would result in consequences vastly disproportionate to the mistake that was made. Moreover, the differences between this Application and the Davidson Kempner Application weigh even further in favor of granting the relief requested herein.

VI. REQUEST FOR ORDER

The Applicants seek an order pursuant to Section 206A of the Act, and Rule 206(4)-5(e) thereunder, exempting the Applicants from the two-year prohibition on compensation imposed by Rule 206(4)-5(a)(1) under the Act for investment advisory services provided to the Clients described above within the two-year period following the Contribution to an official of such Clients by a covered associate of the Applicants.

VII. CONCLUSION

For the foregoing reasons, the Applicants submit that the proposed exemptive relief, conducted subject to the representations set forth above, would be fair and reasonable, would not involve overreaching, and would be consistent with the general purposes of the Act.

VIII. PROCEDURAL MATTERS

Pursuant to Rule 0-4 of the rules and regulations under the Act, a form of proposed notice for the order of exemption requested by this Application is set forth as Exhibit C to this Application. In addition, a form of proposed order of exemption requested by this Application is set forth as Exhibit D to this Application.

On the basis of the foregoing, the Applicants submit that all the requirements contained in Rule 0-4 under the Act relating to the signing and filing of this Application have been complied with and that the Applicants, which have signed and filed this Application, are fully authorized to do so.

The Applicants request that the Commission issue an order without a hearing pursuant to Rule 0-5 under the Act.

Dated: October 24, 2014

Respectfully submitted,

T. Rowe Price Associates, Inc.
T. Rowe Price International Ltd

By: David Oestreicher,
Vice President of T. Rowe Price Associates, Inc. and Vice President of T. Rowe Price International Ltd

Exhibit Index

Exhibit A

Authorization

All requirements of the by-laws of T. Rowe Price Associates, Inc. have been complied with in connection with the execution and filing of this Application.

The by-laws state that, unless otherwise determined by the Board of Directors, any of the Vice Presidents may perform any duties or exercise any of the same functions as the President. To date, the Board of Directors has not limited the power of any Vice President of T. Rowe Price Associates, Inc. Therefore, all Vice Presidents of T. Rowe Price Associates, Inc. have the same powers as the President, which, as delineated in the by-laws state that the President may execute instruments (including but not limited to applications) on behalf of T. Rowe Price Associates, Inc.

The by-laws of T. Rowe Price Associates, Inc. authorize the Board of Directors to appoint one or more Vice Presidents. David Oestreicher is a Vice President of T. Rowe Price Associates, Inc., as appointed by the Board of Directors.

T. Rowe Price Associates, Inc. has caused the undersigned to sign this Application on its behalf in Baltimore, Maryland on this 24 day of October, 2014.

T. Rowe Price Associates, Inc.

/s/ David Oestreicher

David Oestreicher
Vice President, T. Rowe Price Associates, Inc.

Exhibit A-1

Authorization

All requirements of the Articles of Association of T. Rowe Price International Ltd have been complied with in connection with the execution and filing of this Application.

The Articles of Association of T. Rowe Price International Ltd allow a resolution of the directors to approve the authority of a person to execute an instrument, including applications, on behalf of T. Rowe Price International Ltd.

By resolution on February 10, 2014 David Oestreicher is an approved officer to execute such instruments on behalf of T. Rowe Price International Ltd.

T. Rowe Price International Ltd has caused the undersigned to sign this Application on its behalf in Baltimore, Maryland on this 24 day of October, 2014.

T. Rowe Price International Ltd

David Oestreicher
Vice President, T. Rowe Price International Ltd

Exhibit B

Verification

State of Maryland City of Baltimore, SS:

The undersigned being duly sworn deposes and says that he has duly executed the attached Application, dated October 24, 2014, for and on behalf of T. Rowe Price Associates, Inc. that he is the Vice President of such company; and that all action by stockholders, directors, and other bodies necessary to authorize deponent to execute and file such instrument has been taken. Deponent further says that he is familiar with such instrument, and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

T. Rowe Price Associates, Inc.

David Oestreicher
Vice President, T. Rowe Price Associates, Inc.

Subscribed and sworn to before me, a Notary Public, this 24th day of October, 2014.

Official Seal

LISA G. MARSHALL
Notary Public
State of Maryland
Anne Arundel County
My commission exp. March 26, 2018

My commission expires_____

Exhibit B-1

Verification

State of Maryland City of Baltimore SS:_____

The undersigned being duly sworn deposes and says that he has duly executed the attached Application, dated October ___, 2014, for and on behalf of T. Rowe Price International Ltd that he is the Vice President of such company; and that all action by stockholders, directors, and other bodies necessary to authorize deponent to execute and file such instrument has been taken. Deponent further says that he is familiar with such instrument, and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

T. Rowe Price International Ltd

David Oestreicher
Vice President, T. Rowe Price International Ltd

Subscribed and sworn to before me, a Notary Public, this 24th day of October, 2014.

Official Seal

LISA G. MARSHALL
Notary Public
State of Maryland
Anne Arundel County
My commission exp. March 26, 2018

My commission expires_____

Exhibit C
Proposed Notice for the Order of Exemption

Agency: Securities and Exchange Commission (the "SEC") or (the "Commission").

Action: Notice of Application for Exemption under the Investment Advisers Act of 1940 (the "Act").

Applicant: T. Rowe Price Associates, Inc. ("TRPA") and T. Rowe Price International Ltd ("TRPIL" and, together with TRPA, the "Advisers" or the "Applicants").

Relevant Advisers Act Sections: Exemption requested under Section 206A of the Act, and Rule 206(4)-5(e) thereunder, from the provisions of Section 206(4) of the Act and Rule 206 (4)-5 (a)(1) thereunder.

Summary of Application: The Applicants request an order granting an exemption from the two-year prohibition on compensation imposed by Section 206(4) of the Act, and Rule 206(4)-5(a)(1) thereunder, to the extent necessary to permit the Advisers to provide investment advisory services for compensation to affected government entities within the two-year period following a specified contribution by a covered associate.

Filing Dates: The application was filed on May 2, 2014, and amended and restated on October ___, 2014.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on [Date], and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state

the nature of the writer's interest, the reason for the request and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

Addresses: Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-1090. Applicants, TRPA and TRPIL, T. Rowe Price Associates, Inc., 100 East Pratt Street, Baltimore, MD 21202.

For Further Information Contact: Melissa Roverts Harke, Branch Chief, at (202) 551-6787 (Division of Investment Management, SEC).

Supplementary Information: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch.

Applicants' Representations:

1. The Advisers are registered with the Commission as investment advisers under the Act. T. Rowe Price Group, Inc ("TRPG") is the parent company of both entities. The Advisers act as adviser or subadviser to registered investment companies ("RICs") under the 1940 Act. In addition, TRPIL acts as an adviser to the T. Rowe Price Trust Company ("TRPTC") in connection with assets of defined contribution and benefit plans of companies and governmental entities that are invested in the Emerging Markets Equity Trust Fund, a common trust fund exempt under section (3)(c)(11) of the 1940 Act and of which TRPTC is the Trustee (the "Fund"). Certain public pension plans that are government entities of Wisconsin (the "Clients") have selected a RIC as an investment option for participants in participant-direct plans. One Client had been invested in the Fund since 2003 but divested its investment by May 2012. The investment decisions for the Clients are overseen by boards of trustees, and Gubernatorial appointees sit on these

Boards. Due to this power of appointment, the Governor is an "official" of each Client. However, the Governor does not sit on any Client's board or have any direct involvement in a Client's investment decisions.

2. Applicants represent that Michael McGonigle (the "Contributor") is a Vice President of TRPG and TRPA. He has been a director of credit research in the Fixed Income Division since 2010 and is a member of the Fixed Income Steering Committee. In his role as a director of credit research, he supervises approximately 15 research analysts in TRPA and 8 research analysts in TRPIL, some of whom may occasionally meet with government entity clients or prospective clients, or with consultants for prospective clients, but solely in their role as analysts to describe the research process. The Advisers have identified only one meeting with a Wisconsin government entity client at which an analyst supervised by the Contributor was present since March 14, 2011, the effective date of the Rule (in August, 2011). The Contributor has not participated in any such meetings with any state or local government entity client or prospective client of the Advisers since the effective date of the Rule.

3. The recipient of the Contribution was Scott Walker (the "Official"), the Governor of Wisconsin, who took office in January 2011. The Contribution was made on February 5, 2012 to the Official's recall primary election campaign for the amount of $250. The Wisconsin Campaign Finance Information System reported it as received by the campaign on February 26, 2012. Although not entitled to vote in Wisconsin elections, the Contributor was interested in the highly contentious and publicized recall election, given his political views that are in line with those of the Official. The Contributor remembers watching television coverage of the recall election and receiving telephone

solicitations for political contributions during this time. The Contributor believes that he may have made the Contribution pursuant to such a telephone solicitation. The Contributor has not met the Official personally.

4. Applicants represent that the Clients' relationship with the Applicants pre-dates the Contribution. The Adviser's relationship with one Client dates back to at least 2003 when it invested in the Fund. This Client began withdrawing its investment from the Fund in 2011 and was fully divested in May 2012. The Clients with a RIC advised by the Advisers began their relationship with the Advisers in 2005 and 2008.

5. Applicants represent that at no time did any employees of the Applicants other than the Contributor have any knowledge of the Contribution prior to the Applicants' Legal department's discovery of the Contribution. The Contribution was discovered in the course of compliance testing by the Advisers' Legal department on or around March 18, 2014. Subsequently, the Applicants and the Contributor obtained the Official's agreement to return the full amount of the Contribution, which was returned on May 1, 2014. After identifying the Contribution, the Advisers began a process to establish an escrow account and deposited an amount equal to the sum of all fees paid to the Advisers, directly or indirectly, with respect to the Clients between February 5, 2012 through February 26, 2014 was deposited in the account. The Advisers are notifying the Client invested in the Fund, each affected RIC, and each Client that offers as an investment option in a participant-directed plan an affected RIC that is directly advised by the Advisers, of the Contribution and resulting two-year prohibition on compensation absent exemptive relief from the Commission, and informing them that the fees attributable to the Clients since the date of the Contribution through the two-year period were being

placed in escrow and that, absent exemptive relief from the Commission, those fees would be distributed in a way that is permissible under applicable laws and the Rule.

6. The Applicants' policies and procedures regarding pay-to-play ("Pay-to-Play Policies and Procedures") in place at the time of the Contribution required all employees to pre-clear contributions to state and local officials and candidates. Employees must annually certify their compliance with the Advisers' Code of Ethics, which describes the Advisers' preclearance policy for political contributions, through an Annual Verification Questionnaire. This Questionnaire requires employees to certify their compliance with the Policy. The Contributor completed his annual online training and Questionnaire certification each year since the effective date of the Rule. The Legal department or specific business units of the Advisers also occasionally send reminder emails about the Policy. The Advisers have also started to include searches of public websites for contributions made by employees, and it was in the course of developing this testing program that the Contribution was discovered by the Advisers.

7. Applicants represent that to the best of his recollection, the Contributor's violation of Applicants' Pay-to-Play Policies and Procedures resulted from his simply forgetting to pre-clear his contribution as required, due to his becoming impassioned about the recall election while watching televised reports about it and receiving a telephone solicitation while doing so. Applicants note that on May 31, 2012, pursuant to the Advisers' policies and procedures, the Contributor requested pre-clearance from Advisers' Legal department to make a contribution to the Official's campaign for the recall general election and received permission to make a $150 contribution. As noted above, however, the Contributor did not disclose the Contribution to the Applicants and the Applicants had no

knowledge of the Contribution when the Contributor received approval for the May 31, 2012 contribution for the recall general election.

Applicants' Legal Analysis:

1. Rule 206(4)-5(a)(1) prohibits a registered investment adviser from providing investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser.

2. Rule 206(4)-5(b) provides exceptions from the two-year prohibition under Rule 206(4)-5(a)(1) with respect to contributions that do not exceed a *de minimis* threshold, were made by a person more than six months before becoming a covered associate, or were discovered by the adviser and returned by the official within a specified period and subject to certain other conditions.

3. Section 206A, and Rule 206(4)-5(e) thereunder, permits the Commission to exempt an investment adviser from the prohibition under Rule 206(4)-5(a)(1) upon consideration of, among other factors, (i) whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; (ii) whether the investment adviser: (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule; (B) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such

other remedial or preventive measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election (*e.g.*, Federal, state or local); and (vi) the contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

4. The Applicants request an order pursuant to Section 206A, and Rule 206(4)-5(e) thereunder, exempting them from the prohibition under Rule 206(4)-5(a)(1) to permit them to provide investment advisory services for compensation to government entities within the two-year period following a specified contribution to an official of such government entities by a covered associate. The Applicants assert that the exemption sought is consistent with the protection of investors and the purposes of the Act.

5. The Applicants propose that the protection of investors is not furthered, but threatened, by withholding compensation as a penalty in the absence of any evidence that the Advisers or the Contributor intended to, or actually did, interfere with the Clients' merit-based process for the selection and retention of advisory services. The Applicants note that causing the Advisers to serve without compensation for a two-year period could result in a financial loss that is approximately 24,000 times the amount of the Contribution.

6. The Applicants assert that the purposes of Section 206(4) and Rule 206(4)-5(a)(1) are fully satisfied without imposition of the two-year prohibition on compensation as penalty for the Contribution. Neither the Advisers nor the Contributor sought to interfere with

the Clients' merit-based selection process for advisory services, nor did they seek to negotiate higher fees or greater ancillary benefits than would be achieved in arms'-length transactions. Absent any intent or action by the Advisers or Contributor to influence the selection process, there was no violation of the Advisers' fiduciary duty to deal fairly or disclose material conflicts. The Applicants have no reason to believe the Contribution undermined the integrity of the market for advisory services or resulted in a violation of the public trust in the process for awarding contracts.

7. The Applicants state that the other factors suggested for the Commission's consideration in Rule 206(4)-5(e) similarly weigh in favor of granting an exemption to avoid consequences disproportionate to the violation.

8. Accordingly, the Applicants respectfully submit that the interests of investors and the purposes of the Act are best served in this instance by allowing the Advisers and their Clients to continue their relationship uninterrupted in the absence of any evidence that the Adviser or the Contributor intended to, or actually did, interfere with any Client's merit-based process for the selection or retention of advisory services. The Applicants submit that an exemption from the two-year prohibition on compensation is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

For the Commission, by the Division of Investment Management, under delegated authority.

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Secretary [or other signatory]

Exhibit D

Proposed Order of Exemption

T. Rowe Price Associates, Inc. and T. Rowe Price International Ltd (the "Applicants") filed an application on May 2, 2014, and an amended and restated application on October [], 2014, pursuant to Section 206A of the Investment Advisers Act of 1940 (the "Act") and Rule 206(4)-5(e) thereunder. The application requested an order granting an exemption from the provisions of Section 206(4) of the Act, and Rule 206(4)-5(a)(1) thereunder, to permit the Applicants to provide investment advisory services for compensation to five government entities following a contribution by a covered associate of the Applicants. The order applies only to the Applicants' provision of investment advisory services for compensation which would otherwise be prohibited with respect to these five government entities as a result of the contribution identified in the application.

A notice of filing of the application was issued on [date], 2014 (Investment Advisers Act Release No. [X]). The notice gave interested person an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing should be ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, that granting the requested exemption is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Accordingly, IT IS ORDERED, pursuant to Section 206A of the Act, and Rule 206(4)-5(e) thereunder, that the application for exemption

from Section 206(4) of the Act, and Rule 206(4)-5(a)(1) thereunder, is hereby granted, effective forthwith.

For the Commission, by the Division of Investment Management, under delegated authority.

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Secretary (or other signatory)