

FRANKLIN RESOURCES, INC.

COMPENSATION COMMITTEE CHARTER

This Compensation Committee Charter (the “Charter”) has been adopted by the Board of Directors (the “Board”) of Franklin Resources, Inc. (the “Company” or “Franklin”) in connection with its oversight of the Company’s management and the business affairs of the Company.

1. **Purpose.** The purpose of the Compensation Committee (the “Committee”) is to:
 - (a) Determine the compensation of the Chief Executive Officer and oversee the establishment of goals and objectives related to Chief Executive Officer performance compensation.
 - (b) Discharge the Board’s responsibilities relating to compensation of the Company’s executive officers, including oversight of the leadership development and performance evaluation of the executive officers of the Company.
 - (c) Assist the Board in fulfilling its responsibilities relating to (i) the compensation (and related benefits) of the executive officers of the Company, and (ii) the administration of the Company’s incentive compensation and equity-based plans that are subject to Board approval.
 - (d) Prepare the Compensation Committee Report regarding executive compensation matters required by the rules and regulations of the Securities and Exchange Commission to be included in the Company’s Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C, as applicable.
 - (e) Assist the Board in fulfilling its responsibilities relating to succession planning for the management of the Company, including policies and principles for the selection and performance review of the Chief Executive Officer, as well as policies regarding succession in the event of the departure of the Chief Executive Officer.
2. **Membership.**
 - (a) **Number.** The Committee shall consist of no fewer than three members of the Board.
 - (b) **Qualifications.** Each member of the Committee shall be an “independent” director in accordance with Applicable Corporate Governance Listing Standards. For purposes of this Charter, “Applicable Corporate Governance Listing Standards” means the listing standards of the New York Stock Exchange or such listing standards of any other applicable securities exchange to which the Company’s shares may be subject from time to time (together with such other requirements imposed by applicable law or regulation). In addition, each member

shall qualify as a “non-employee director” for purposes of Rule 16b-3 promulgated under the Securities Exchange Act of 1934. Unless otherwise determined by the Committee, any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the qualifications set forth in this paragraph 2(b).

- (c) **Appointment and Removal.** The members of the Committee shall be appointed and may be removed by the Board.
- (d) **Term.** Each member of the Committee shall serve until his or her successor is duly appointed and qualified, or until his or her earlier removal or resignation or such time as he or she is no longer an “independent” director of the Board.
- (e) **Chairperson.** The Committee shall designate a Chairperson of the Committee from among its members from time to time.

3. **Meetings and Operations.**

- (a) **Meetings.** The Committee shall meet as often as necessary to carry out its responsibilities, and will hold special meetings as circumstances require. The Committee may meet in executive sessions and invite one or more members of management, independent advisors or other third parties to attend as it deems appropriate. The timing of the meetings shall be determined by the Chairperson of the Committee, in consultation with the other Committee members.
- (b) **Quorum.** At all Committee meetings, a majority of the members of the Committee shall constitute a quorum for the transaction of business.
- (c) **Actions.** The action of a majority of those present at a meeting, at which a quorum is present, shall be the action of the Committee. The Committee shall keep a record of its actions and proceedings.
- (d) **Reporting to the Board.** The Committee shall regularly report to the Board actions taken by the Committee and by any committee reporting to the Committee.
- (e) **Delegation.** In discharging its duties, the Committee shall have full authority to form subcommittees and delegate any or all of its duties to such subcommittees as the Committee deems appropriate.
- (f) **Executive Attendance at Meetings.** No executive officer should attend that portion of any meeting of the Committee during which such executive officer’s performance or compensation is discussed, unless specifically invited by the Committee.

4. **Authority and Responsibilities.** The Committee shall have the following authority and responsibilities:

CEO Evaluation and Compensation.

- (a) The Committee shall (i) review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, (ii) evaluate the performance of the Chief Executive Officer in light of those goals and objectives, and (iii) determine and approve the compensation of the Chief Executive Officer as the Committee determines is in the best interests of the Company based on this evaluation and any other factors the Committee deems appropriate.
- (b) In setting the long-term incentive component of the compensation of the Chief Executive Officer as the Committee determines is in the best interests of the Company, the Committee may consider, among other factors, the Company's performance and relative shareholder return, the value of similar incentive awards to Chief Executive Officers at comparable companies, the awards given to the Company's Chief Executive Officer in past years and any other factors the Committee deems appropriate.
- (c) The Committee shall meet annually with the Chief Executive Officer to discuss the recommendations of the Chief Executive Officer concerning performance goals and the Chief Executive Officer's evaluation of the Company's progress toward meeting those goals.

Other Compensation Related Responsibilities.

- (d) The Committee shall review and make recommendations to the Board on the overriding compensation philosophy for the Company.
- (e) The Committee shall review and approve the compensation of the executive officers of the Company (other than the Chief Executive Officer).
- (f) The Committee shall review and approve compensation for newly hired employees and severance arrangements for employees leaving the Company where the amounts exceed certain threshold levels determined by the Committee from time to time.
- (g) The Committee shall review and approve deferred compensation agreements and arrangements between directors and the Company.
- (h) The Committee shall review, and if satisfactory, approve the total amount available for the Company's annual bonus pool under the Company's Amended and Restated Annual Incentive Compensation Plan and the 2014 Key Executive Incentive Compensation Plan.
- (i) The Committee shall at least annually review and make recommendations to the Board on the compensation (including equity-based compensation) of the Company's directors. In so reviewing and making recommendations on director compensation, the Committee shall consider, among other things, the following policies and principles:

- (i) that the compensation should fairly pay the directors for the work, time commitment and efforts required by directors of a company of Franklin's size and scope of business activities, including service on Board committees;
- (ii) that a component of the compensation should be designed to align the directors' interest with the long-term interests of the Company's stockholders; and
- (iii) that directors' independence may be compromised or impaired for Board or committee purposes if director compensation exceeds customary levels.

Incentive Plans.

- (j) The Committee shall make recommendations to the Board with respect to incentive compensation and equity-based plans that are subject to Board approval. The Committee shall also review and approve the performance or operating goals for recipients of performance based awards, where the amounts exceed certain threshold levels determined by the Committee from time to time.
- (k) The Committee shall grant, administer, approve and ratify awards under incentive compensation and stock incentive plans, including amendments to the awards made under any such plans, where the amounts exceed certain threshold levels determined by the Committee from time to time. The Committee shall also serve as the plan administrator for such incentive compensation plans, stock incentive plans and stock purchase plans as the Committee, from time to time, is so designated or as required by the Board or the plan documents.

Executive Compensation Disclosures.

- (l) The Committee shall review and discuss with management the Company's Compensation Discussion and Analysis and prepare the Compensation Committee Report regarding executive compensation matters required by the rules and regulations of the Securities and Exchange Commission (the "SEC") to be included in the Company's Annual Report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C, as applicable.
- (m) The Committee shall oversee compliance with SEC rules and regulations regarding stockholder approval of certain equity compensation matters, including stockholder advisory votes on executive compensation and the frequency of such votes, and any requirements under Applicable Corporate Governance Listing Standards to seek stockholder approval of equity compensation plans.

Other.

- (n) The Committee shall have the authority to perform any other activities it deems are appropriate, consistent with this Charter.

- (o) The Committee shall have the sole authority to retain, at the expense of the Company, and terminate any compensation consulting firm (a “Compensation Consultant”) to assist in the evaluation of director, Chief Executive Officer or executive compensation, including the authority to approve the Compensation Consultant’s fees and other retention terms. The Committee also shall have the authority to retain other advisors, including, but not limited to, legal counsel or other experts (together with any Compensation Consultant, “Advisers”), at the expense of the Company, to assist in carrying out Committee responsibilities, as the Committee may deem appropriate. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Advisers retained by it.
- (p) The Committee may select or obtain advice of an Adviser only after taking into consideration all factors relevant to that person’s independence from management, including the factors specified in the Applicable Corporate Governance Listing Standards (to the extent such rules require such consideration).
- (q) The authority granted to the Committee pursuant to this paragraph 4 shall not be exclusive and, subject to applicable law and Applicable Corporate Governance Listing Standards, may be exercised by the Board or another committee of the Board established by the Board to which any such authority is granted.

5. **Annual Performance Evaluation.** The Committee shall annually review its own performance in such manner as it deems appropriate.

6. **Annual Review of Committee Charter.** The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

7. **General.** This Charter is intended as a component of the flexible framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of applicable laws, regulations and listing requirements, as well as in the context of the Company’s Certificate of Incorporation, as amended, and Amended and Restated By-Laws, it is not intended to establish by its own force any legally binding obligations.

Last approved by the Board on June 12, 2018.