

Our Political Involvement

At Franklin Resources, Inc. (“Franklin”), we are guided by our commitment to corporate responsibility. We advocate for public policies that we believe are in our stockholders’ and clients’ long-term best interests. We work to help develop public policy and legislation that supports our business priorities, protects investors and clients, and increases stockholder value. From time to time, we promote legislative and regulatory actions that further our business objectives and attempt to protect Franklin from unreasonable, unnecessary or burdensome legislative or regulatory actions.

Our political contributions policy is contained in our [Code of Ethics and Business Conduct](#), which was developed at the direction of Franklin’s Board of Directors. On an annual basis, each Franklin executive and director is required to acknowledge that he or she has read, understands, and has abided by Franklin’s [Code of Ethics and Business Conduct](#).

Corporate Political Activity

Our ability to engage policy makers and participate in the public policy arena is subject to extensive laws and regulations at the international, federal, state and local levels. Election laws in many jurisdictions generally prohibit political contributions by corporations to candidates. Under U.S. federal law, Franklin may not contribute corporate funds or make in-kind contributions to candidates for federal office or to national party committees. In addition to federal limits on corporate political action, our political contributions at the state and local level in the U.S. are governed by the Municipal Securities Rulemaking Board, the Securities and Exchange Commission, the Commodity Futures Trading Commission, and other applicable state and local authorities.

Accordingly, Franklin does not contribute corporate funds to U.S. federal, state or local candidates, political party committees, political action committees, or any political organization exempt from federal income taxes under Section 527 of the Internal Revenue Code.

Although permitted under U.S. federal law, Franklin does not currently spend corporate funds directly on independent expenditures, including election communications, and does not currently support or oppose ballot initiatives.

Independent Employee Political Participation

All employees are required to comply with our [Code of Ethics and Business Conduct](#), including our policy on political contributions. Employees engaging in personal political activity must do so as private citizens, outside paid work hours, and cannot use company resources for political purposes. As stated in our [Code of Ethics and Business Conduct](#), political contributions are highly restricted and require prior approval for certain employees associated with U.S.-registered investment advisers.

Advocacy and Lobbying Activity

Individually and through advocacy groups, we address issues including fund regulation and governance, retirement security, trading and tax matters, and comment on related proposed legislation. Lobbying activities and expenditures may include direct lobbying efforts at the national, state and local levels, and

indirect lobbying efforts through industry trade associations and coalitions. We comply with laws that govern these activities including those that require reporting.

Direct Lobbying Activity

Our direct lobbying expenditures are publicly available as set forth below.

- U.S. Federal Expenditures: Direct lobbying expenditures at the federal level are reported and publicly available at the [U.S. Senate Lobbying Disclosure Act Database](#).
- U.S. State Expenditures: All of Franklin's direct lobbying expenditures at the State level are currently incurred in California and disclosed to the [California Secretary of State](#).
- Non-U.S. Expenditures: Lobbying activities within the European Union are disclosed on the [EU Transparency Register](#).

Indirect Lobbying Activity

We may support advocacy indirectly through industry trade associations, primarily through the Investment Company Institute, a leading association of regulated funds that seeks to encourage adherence to high ethical standards, promote public understanding and otherwise advance the interests of funds, their shareholders, directors, and advisers; SIFMA, an association for the U.S. securities industry that advocates for effective and efficient capital markets; the SIFMA Asset Management Group, which promotes the development of liquid, efficient, open and safe capital markets by developing views on public and regulatory policy and creating industry best practices; and the Investment Adviser Association, which represents the interests of SEC-registered investment advisory firms before Congress, the SEC, CFTC and other regulators, provides compliance resources, and relevant information about current issues and topics. We are also members of the European Fund and Asset Management Association, the representative association for the European investment management industry; The Investment Association, the trade body that represents U.K. investment managers; the Association of the Luxembourg Fund Industry, the official representative body for the Luxembourg investment fund industry and the Association of Mutual Funds in India, dedicated to protecting and promoting the interests of mutual funds and their unit holders, among others.

We make payments to these trade organizations, including membership fees and/or dues. However, we do not control these entities and may not always be aware of these entities' activities. These trade organizations represent numerous other companies and there are instances where their positions on certain issues may diverge from ours.

Compliance and Oversight

The Corporate Governance Committee of Franklin's Board of Directors, comprised entirely of independent directors, oversees Franklin's political activities and related policies. Political contributions require the approval of the Chief Executive Officer. Payments to trade associations require the prior approval of the Chief Executive Officer, Chief Financial Officer, or a designee.