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

FORM 10-K

(MARK ONE)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-09318

FRANKLIN RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-2670991**
(State or other jurisdiction of incorporation or organization)	***(I.R.S. Employer Identification No.)***

One Franklin Parkway, San Mateo, CA 94403
(Address of principal executive offices) (Zip code)

(650) 312-2000
(Registrant's telephone number, including area code)

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

Title of each class	**Trading symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.10 per share	BEN	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b) ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

The aggregate market value of the voting common equity ("common stock") held by non-affiliates of the registrant, as of March 31, 2023 (the last business day of registrant's second quarter of fiscal year 2023), was $7.7 billion based upon the last sale price reported for such date on the New York Stock Exchange.

Number of shares of the registrant's common stock outstanding at October 31, 2023: 494,584,385.

DOCUMENTS INCORPORATED BY REFERENCE:

Certain portions of the registrant's definitive proxy statement for its annual meeting of stockholders, to be filed with the Securities and Exchange Commission within 120 days after September 30, 2023, are incorporated by reference into Part III of this report.

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PART I

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Annual Report") and the documents incorporated by reference herein may include forward-looking statements that reflect our current views with respect to future events and financial performance. Such statements are provided under the "safe harbor" protection of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts and generally can be identified by words or phrases written in the future tense and/or preceded by words such as "anticipate," "believe," "could," "depends," "estimate," "expect," "intend," "likely," "may," "plan," "potential," "seek," "should," "will," "would," or other similar words or variations thereof, or the negative thereof, but these terms are not the exclusive means of identifying such statements.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors that may cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. The forward-looking statements contained in this Annual Report or that are incorporated by reference herein are qualified in their entirety by reference to the risks and uncertainties disclosed in this Annual Report, including those discussed under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Quantitative and Qualitative Disclosures About Market Risk."

While forward-looking statements are our best prediction at the time that they are made, you should not rely on them and are cautioned against doing so. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other possible future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. They are neither statements of historical fact nor guarantees or assurances of future performance. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them.

If a circumstance occurs after the date of this Annual Report that causes any of our forward-looking statements to be inaccurate, whether as a result of new information, future developments or otherwise, we undertake no obligation to announce publicly the change to our expectations, or to make any revision to our forward-looking statements, to reflect any change in assumptions, beliefs or expectations, or any change in events, conditions or circumstances upon which any forward-looking statement is based, unless required by law.

Item 1. Business.

GENERAL

Franklin Resources, Inc. ("Franklin") is a holding company with subsidiaries operating under our Franklin Templeton® and/or subsidiary brand names. Franklin's common stock is traded on the New York Stock Exchange (the "NYSE") under the ticker symbol "BEN" and is included in the Standard & Poor's 500 Index. In this Annual Report, Franklin and its subsidiaries are collectively referred to as the "Company," and words such as "we," "us," "our" and similar terms refer to the Company. We have one operating segment, investment management and related services.

We offer our services and products under our various distinct brand names, including, but not limited to, Alcentra®, Benefit Street Partners®, Brandywine Global Investment Management®, Clarion Partners®, ClearBridge Investments®, Fiduciary Trust International™, Franklin®, Franklin Bissett®, Franklin Mutual Series®, K2®, Legg Mason®, Lexington Partners®, Martin Currie®, O'Shaughnessy® Asset Management, Royce® Investment Partners, Templeton® and Western Asset Management Company®. Unless otherwise indicated, our "funds" means the funds offered under our various brand names.

We are a global investment management organization with approximately $1.4 trillion in assets under management ("AUM") as of September 30, 2023. Our mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through our specialist investment managers, we offer specialization on a global scale bringing extensive capabilities in fixed income, equity, alternatives and multi-asset solutions. For over 75 years, we have been committed to providing clients with exceptional investment management services and have developed a globally diversified business, including through strategic acquisitions.

We provide our investment management and related services to retail, institutional and high-net-worth investors in jurisdictions worldwide. We deliver our investment capabilities through a variety of products and vehicles and multiple points of access, including directly to investors and through financial intermediaries. Our investment products include our sponsored funds, as well as institutional and high-net-worth separate accounts, retail separately managed account programs, sub-advised products, and other investment vehicles. Our funds include registered funds (including exchange-traded funds, or "ETFs") and unregistered funds. Related services include fund administration, sales and distribution, and shareholder servicing. We may perform services directly or through third parties. We also provide sub-advisory services to certain investment products sponsored by other companies that may be sold to investors under the brand names of those other companies or on a co-branded basis.

We offer our clients the combined experience of our investment professionals with expertise across asset classes and a sharp focus on managing risk. We are committed to delivering strong investment performance for our clients, and to offering a broad range of strategies and drawing on our diverse experiences and perspectives gained through our long history in the investment management business. We know that success demands smart and effective business innovation, solutions and technologies, and we remain focused on investment excellence, innovating to meet evolving client goals, and building strong partnerships by delivering superior client service. We continue to focus on the long-term investment performance of our investment products and on providing high quality service to our clients.

The global business and regulatory environments in which we operate remain complex, uncertain and subject to change. We are subject to various laws, rules and regulations globally that impose restrictions, limitations, registration, reporting and disclosure requirements on our business, and add complexity to our global compliance operations. Incorporated herein by reference is certain financial information about our segment and geographic areas contained in Note 18 – Segment and Geographic Information in the notes to consolidated financial statements in Item 8 of Part II of this Annual Report.

Recent Developments

In May 2023, we entered into a definitive agreement to acquire Putnam Investments from Great-West Lifeco., Inc. ("Great-West"), a member of the Power Corporation group of companies. The Power Corporation group of companies including Great-West are leaders in the global insurance, retirement, asset management and wealth management sectors. The acquisition is subject to customary closing conditions and is expected to close in the first quarter of fiscal year 2024.

Company History

Since 1947, the Company and its predecessors have been engaged in the investment management and related services business. Franklin was incorporated in the State of Delaware in November 1969, and originated our mutual fund business with the initial Franklin family of funds, known for its fixed income funds and growth and value-oriented equity funds. Over the years, we have expanded and developed our business to meet evolving investor needs, in part, by acquiring companies engaged in investment management and related services. We have added, among others: (i) the Templeton global investment firm in 1992, (ii) the Franklin Mutual Series investment firm in 1996, (iii) the Franklin Bissett Canadian investment firm in 2000, (iv) the Fiduciary Trust International investment and trust services firm in 2001, (v) the Benefit Street Partners alternative credit management firm in 2019, (vi) the Athena Capital Advisors investment and wealth management firm in March 2020, (vii) The Pennsylvania Trust Company investment and trust services firm in May 2020, (viii) the Legg Mason global investment firm in July 2020, (ix) the O'Shaughnessy Asset Management quantitative asset management firm in December 2021, (x) the Lexington Partners global alternatives investment firm in April 2022, and (xi) the Alcentra alternative credit investment firm in November 2022.

OUR BUSINESS STRUCTURE

Through our subsidiaries, we are committed to helping investors navigate global markets, as well as continuing to evolve and build on our strengths to meet the needs of our clients. We generally derive our revenues and income from providing investment management and related services to our products and the products we sub-advise. Our investment management fees, which represent a majority of our revenues, depend to a large extent on the level and relative mix of our AUM and the types of services provided, which are subject to change.

Our business is conducted through our subsidiaries, including our specialist investment managers. Our specialist investment managers include subsidiaries registered with the United States ("U.S.") Securities and Exchange Commission (the "SEC") as investment advisers under the Investment Advisers Act of 1940 (the "Advisers Act"), as well as subsidiaries registered as investment adviser equivalents in jurisdictions including Australia, Brazil, Canada, China, Hong Kong, Ireland, India, Japan, Luxembourg, Malaysia, Mexico, Singapore, Switzerland, South Korea, Commonwealth of The Bahamas, the United Arab Emirates and the United Kingdom ("U.K.").

Our AUM by Asset Class and Product Type

We offer a broad product mix under our fixed income, equity, alternative, multi-asset and cash management asset classes. Our fixed income capabilities include government, municipals, corporate credit, bank loans, securitized, multi-sector, and other investments. Our equity capabilities include value, deep value, core value, blend, growth and growth at a reasonable price, convertibles, sector, Shariah, smart beta and thematic investments. Our alternative capabilities include private debt, hedge funds, private equity, real estate and infrastructure investments. Our multi-asset capabilities include income, real return, balanced/hybrid, total return, target data/risk, absolute return, tactical asset allocation and managed volatility investments.

We believe, despite market risks, that we have a competitive advantage as a result of the economic and geographic diversity of our products available to our clients. Our U.S. funds include U.S. mutual funds, closed-end funds, ETFs and other products. Our non-U.S. funds include a variety of cross-border funds principally domiciled in Luxembourg or Ireland, registered for sale to non-U.S. investors in certain other countries, and international locally domiciled funds and products for the particular local market. Our institutional separate account services are provided to various institutions for which we serve as an investment adviser. Our retail separately managed accounts, commonly known as managed accounts or wrap programs, are sponsored by various financial institutions. We also offer and serve as investment adviser to various other products.

Our fees for providing investment management services are generally based on a percentage of AUM in the accounts that we advise, the asset classes of the accounts, and the types of services that we provide.

AUM by asset class and product type was as follows:

(in billions) **as of September 30, 2023**	**U.S. Funds**	**Non-U.S. Funds**	**Institutional Separate Accounts**	**Retail Separately Managed Accounts**	**Other**	**Total**	**Percentage of Total AUM**
Fixed Income	$ 134.5	$ 34.0	$ 225.4	$ 31.9	$ 57.3	$ 483.1	35 %
Equity	207.4	74.9	36.8	72.7	38.6	430.4	31 %
Alternative	5.3	4.3	29.5	0.2	215.6	254.9	19 %
Multi-Asset	86.4	9.3	4.8	8.0	36.5	145.0	11 %
Cash Management	34.5	25.5	0.8	—	—	60.8	4 %
Total	**$ 468.1**	**$ 148.0**	**$ 297.3**	**$ 112.8**	**$ 348.0**	**$ 1,374.2**	**100 %**

See "Assets under Management" under Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of this Annual Report for additional information about our AUM. Broadly speaking, other than AUM changes due to acquisitions, changes in our AUM depend primarily upon two factors: (i) the increase or decrease in the market value of the securities and instruments held in the portfolio of investments, and (ii) the level and direction of net flows. Changing market conditions and the evolving needs of our clients may cause asset volatility and a shift in our asset mix, potentially resulting in an increase or decrease in our revenues and income depending upon the nature of our AUM and the level of management fees we earn based on our AUM.

Our Investment Management Related Services and Products

Our specialist investment managers offer diverse perspectives and specialized expertise across asset classes and strategies. Across our business, our specialist investment managers generally focus on a portion of the asset management industry in terms of the types of assets managed and each may differ in the types of products and services offered, the investment styles utilized, and the types and geographic locations of its clients. Each typically markets its products and

services under its own brand name, with certain distribution functions provided by our corporate distribution subsidiaries where applicable. We have in place revenue sharing arrangements with certain of our specialist investment managers.

Our specialist investment managers include: Benefit Street Partners, Brandywine Global, Clarion Partners, ClearBridge Investments, Fiduciary Trust International, Franklin Equity Group, Franklin Income Investors, Franklin Mutual Series, Franklin Templeton Emerging Markets Equity, Franklin Templeton Fixed Income, Franklin Templeton Global Private Equity, Franklin Templeton Investment Solutions, K2 Advisors, Lexington Partners, Martin Currie, O'Shaughnessy Asset Management, Royce Investment Partners, Templeton Global Equity Group, Templeton Global Macro and Western Asset Management.

Through our specialist investment managers, our investment products are offered globally to retail, institutional and high-net-worth clients, which may include, among others, individual investors, institutional investors, sovereign wealth funds, defined benefit and contribution plans, endowments and charitable foundations, healthcare systems and insurance companies. Our investment products include mutual funds, closed-end funds, private funds, institutional separate accounts, retail separately managed accounts, and other products. Our products and capabilities are designed to accommodate a variety of investment goals and preferences, from capital appreciation to capital preservation, as well as sustainable investing and other environmental, social and governance ("ESG") preferences.

We are committed to partnering closely with our clients to understand their challenges and aspirations, and drawing on our investment capabilities and resources to offer and/or design the right investment solutions for them. We distribute and market globally our different capabilities under our brand names through various subsidiaries and multiple points of access, including directly to investors and through financial intermediaries. We primarily engage new institutional business through our relationships with pension, defined contribution and management consultants, direct sales efforts and additional mandates from our existing client relationships, as well as from our responses to requests for proposals. We also market and distribute our products through various subsidiaries to institutional investors with separate accounts. Our services also include management of our ETF platforms.

Our specialist investment managers provide investment management services pursuant to agreements with each of our investment products and/or clients, including products for which we provide sub-advisory services. Investment management fees are generally determined as a percentage of AUM pursuant to such contractual arrangements. Our investment management services include services to accounts for which we have full investment discretion and to accounts for which we have no investment discretion. Our services include fundamental investment research and valuation analyses, including original economic, political, industry and company research, and analyses of suppliers, customers and competitors. Our management fees vary with the types of services that we provide, and fees may at times be waived or voluntarily reduced by the parties, among other things.

Our Funds

Our investment managers manage a fund's portfolio of securities in accordance with the fund's stated objectives. To support the funds' operations, our subsidiaries either provide or arrange for the investment and other management, shareholder servicing and administrative services required by the funds. We outsource various administration, technology, transfer agency and other services for our funds to third-party providers. An investor may purchase shares of a mutual fund directly from us or through a broker-dealer, financial adviser, bank or other similar financial intermediary that provides investment advice to the investor, or an investor may purchase shares of a closed-end fund or ETF on the stock exchange where the fund is traded. Financial intermediaries may earn fees and commissions and receive other compensation with respect to fund shares sold to investors.

The applicable board of directors or trustees of our funds and our management personnel periodically review the investment management fee structures for the funds in light of fund performance, the level and range of services provided, industry conditions and other relevant factors. For our U.S. mutual funds, most of our investment management agreements between our subsidiaries and funds must be renewed each year, and must be approved annually by a vote of each fund's board of directors or trustees as a whole and separately by a majority of the independent fund directors or trustees under the Investment Company Act of 1940 (the "Investment Company Act"), or by a vote of the holders of a majority of the fund's outstanding voting securities, and such agreements generally may be terminated by either party without penalty after prior written notice. Our non-U.S. mutual funds, private funds, institutional and high-net-worth separate accounts, and the products for which we provide sub-advisory services, are typically subject to various termination rights and/or renewal provisions, which often provide for termination upon relatively short notice with little or no penalty.

Retail Separately Managed Account Programs

Certain of our specialist investment managers provide asset management services to retail separately managed account programs sponsored by various financial institutions. These programs typically allow securities brokers or other financial intermediaries to offer their clients the opportunity to choose from a number of asset management services pursuing different investment strategies provided by one or more investment managers, and generally charge an all-inclusive fee that can cover asset management, asset allocation and custodial and administrative services.

Alternative Products and Strategies

Certain of our specialist investment managers manage alternative products and investment strategies which provide our clients with alternatives to traditional equity and fixed income products and services. Our alternative products include private credit funds and structured products, business development companies, hedge funds (funds of funds and custom advisory solutions), private equity funds, secondary funds, venture capital funds and real estate funds. These products employ various investment strategies and approaches, including loan origination, collateralized loan obligations, high-yield credit, hedge fund advisory, private equity and infrastructure transactions in emerging markets, global macro, consumer loans, direct real estate investments, and custom-tailored investment programs.

High-Net-Worth Investment Management, Trust and Custody Services

Through our Fiduciary Trust International related subsidiaries, we provide investment management and related services to, among others, high-net-worth individuals and families, family offices, foundations and institutional clients. Fiduciary Trust International offers investment management and advisory services across different investment styles and asset classes. The majority of these client assets are actively managed by individual portfolio managers, while a significant number of clients also seek multi-manager, multi-asset class solutions. We also may provide separately managed accounts, private funds, and trust, custody and related services, including administration, performance measurement, estate planning and tax planning.

Sales and Distribution

Our global distribution framework is organized into two groups. Our global advisory services group is responsible for sales, marketing and business development and maintains a regional distribution model, with regional teams responsible for driving initiatives in collaboration with global teams. Our global alliances and new business strategies group oversees our digital wealth management and distribution-related technology, joint ventures, product governance, seed capital allocations, fund board management, and direct-to-consumer initiatives. Our groups work together to meet the needs of our advisors, clients and investors. There are many sales channels across each region, which may include retail, institutional, private wealth, retirement, insurance, and other specialty sales. Our global footprint and breadth of investment capability provides the opportunity for us to work with global financial institutions to add value through and beyond investing, including by building business relationships and global economic partnerships.

In addition, certain of our specialist investment managers have their own sales and marketing teams that distribute their products and services, primarily to institutional investors, both directly and through consultants. Consultants play a large role in institutional investment management by helping clients select and retain investment managers. Institutional investment management clients and their consultants tend to be highly sophisticated and investment performance-driven.

Our sales and distribution capabilities and related efforts are critical components of our business and may be impacted by global distribution trends and changes within the financial services industry. In the U.S., our distribution subsidiaries generally serve as the principal underwriters and distributors of shares of most of our mutual funds. Outside the U.S., certain of our non-U.S. subsidiaries provide sales, distribution and marketing services to our non-U.S. mutual funds. Some of our non-U.S. mutual funds, particularly our Luxembourg and Irish domiciled funds, are distributed globally on a cross-border basis, while others are distributed exclusively in local markets.

We earn sales and distribution fees primarily by distributing our mutual funds pursuant to distribution agreements with the funds. Under our distribution agreements with our U.S. mutual funds, we offer and sell the fund shares on a continuous basis and pay certain costs associated with selling, marketing and distributing the fund shares, including the costs of developing and producing sales literature, shareholder reports and prospectuses. Our sales and distribution fees primarily consist of upfront sales commissions and ongoing distribution fees, which generally will change with the overall level of gross sales, the size of individual transactions, and the relative mix of sales between different asset classes and types of investors.

The majority of our U.S. mutual funds, with the exception of certain money market funds and certain other funds specifically designed for purchase through separately managed account programs, have adopted distribution plans under Rule 12b-1 (the "Rule 12b-1 Plans") promulgated under the Investment Company Act. The Rule 12b-1 Plans permit the funds to pay us for marketing, marketing support, advertising, printing and sales promotion services relating to the distribution of their shares, subject to the Rule 12b-1 Plans' limitations on amounts based on daily average AUM. Similar arrangements exist for the distribution of non-U.S. mutual funds. The Rule 12b-1 Plans are established for one-year terms and must be approved annually by a vote of each fund's board of directors or trustees as a whole and separately by a majority of the independent fund directors or trustees under the Investment Company Act, and such plans are subject to termination at any time by a majority vote of the independent fund directors or trustees or by the fund's shareholders.

We pay the sales and distribution fees earned as revenues to the financial advisers and other intermediaries that sell our funds on our behalf. The distribution agreements with our U.S. mutual funds generally provide for us to pay commission expenses for sales of fund shares to qualifying broker-dealers and other independent financial intermediaries. These financial intermediaries receive various sales commissions and other fees for services in matching investors with funds whose asset classes match such investors' goals and risk profiles. The intermediaries also may receive fees for their assistance in explaining the operations of the funds, and for reporting and various other distribution services. Other compensation may be offered to the extent not prohibited by federal or state laws or any self-regulatory agency, such as the Financial Industry Regulatory Authority ("FINRA"), applicable to our business. We are heavily dependent upon these third-party distribution and sales channels and business relationships. There is increasing competition for access to these channels, which has caused our distribution costs to rise and could cause further increases in the future as competition continues and service expectations increase.

Similar arrangements exist with the distribution of our non-U.S. mutual funds where, generally, our subsidiary that distributes the funds receives maintenance fees from the funds and pays certain fees to financial advisers, banks and other intermediaries.

Shareholder Servicing

We perform our shareholder servicing services directly or through third parties. Substantially all shareholder servicing fees are earned from our funds for providing transfer agency services, which include providing shareholder statements, transaction processing, client service and tax reporting. Fees for U.S. funds are based on the level of AUM and applicable transactions in shareholder accounts, while outside of the U.S., the fees are based on the level of AUM and/or the number of shareholder accounts. We outsource various transfer agency and other services for our funds to third-party providers who serve as a sub-agent or delegate, depending on the jurisdiction.

COMPETITION

The financial services industry is a highly competitive global industry. Competition is based on various factors, including, among others, business reputation, investment performance, product mix and offerings, service quality and innovation, distribution relationships, and fees charged. We face strong competition from numerous investment management companies, securities brokerage and investment banking firms, insurance companies, banks and other financial institutions, which offer a wide range of financial and investment management services and products to the same retail, institutional and high-net-worth investors and accounts that we are seeking to attract. We offer a broad product mix that meets a variety of investment goals and needs for different investors, and we may periodically introduce new products to provide investors with additional investment options.

We primarily derive our fund sales through third-party broker-dealers, banks, investment advisers and other financial intermediaries. Because we rely on third-party distribution and sales channels to sell our products, we do not control the ultimate investment recommendations given by them to clients. Such financial intermediaries may recommend competing products.

Due to our international presence and varied product mix, it is difficult to assess our market position relative to other investment managers on a worldwide basis, but we believe that we are one of the more widely diversified investment managers based in the U.S. We believe that our fixed income, equity, alternative and multi-asset asset mix, coupled with our global presence, will serve our competitive needs well over the long term. We continue to focus on the long-term performance of our investment products, service to clients and extensive marketing activities through our strong broker-dealer and other financial institution distribution network as well as with high-net-worth and institutional clients.

The establishment of new investment management firms and continuous development of investment products

increases the competition that we face. Many of our competitors have long-standing and established relationships with broker-dealers, investment advisers and their clients, and some have affiliated brokerage businesses. Others have focused on, offer and market specific product lines that provide strong competition to certain of our asset classes. In addition, consolidation in the financial services industry has created stronger competitors, some with greater financial resources and broader distribution channels than our own.

REGULATION

General

We are subject to extensive regulation. Virtually all aspects of our business are subject to various U.S. federal and state, and/or international regulation and supervision. Our regulators have broad authority with respect to the regulation of investment management and other financial services, including among other things, the authority to grant or cancel required licenses or registrations, impose net capital and other financial or operational requirements on us, and other enforcement powers described below. The regulations to which we are subject continue to change and evolve over time. Consequently, there is uncertainty associated with the regulatory environments in which we operate. The rules and regulations applicable to investment management organizations are very detailed and technical. Accordingly, the discussion below is general in nature and does not purport to be complete.

With our global operations, certain of our subsidiaries are registered with or licensed by various U.S. and/or non-U.S. regulators, and our funds are subject to various U.S. and/or non-U.S. laws. In particular, we are subject to various securities, compliance, corporate governance, disclosure, privacy, anti-bribery and anti-corruption, anti-money laundering, anti-terrorist financing, and economic, trade and sanctions laws and regulations, both domestically and internationally, as well as to various cross-border rules and regulations, such as the anti-bribery and anti-corruption rules under the Foreign Corrupt Practices Act of 1977 (“FCPA”) and the data protection rules under the General Data Protection Regulation (“GDPR”) of the European Union (“EU”). We are subject to sanctions programs administered by the Office of Foreign Assets Control of the U.S. Department of Treasury (“USDT”), as well as sanctions programs adopted and administered by non-U.S. jurisdictions where our services and products are offered. Our subsidiaries with custody of client assets or accounts are also subject to the applicable laws and regulations of U.S. states and other non-U.S. jurisdictions regarding the reporting and escheatment of unclaimed or abandoned property. We also must comply with complex and changing tax regimes in the jurisdictions where we operate our business.

Failure to comply with applicable U.S. and non-U.S. laws, regulations, rules, codes, notices, directives, guidelines, orders, circulars and/or conditions in the various jurisdictions where we operate could result in a wide range of disciplinary actions against us, our subsidiaries and/or our business. Breaches of applicable laws and rules could result in regulatory enforcement, civil liability, criminal liability and/or the imposition of a range of sanctions or orders against us, including, as applicable, monetary damages, injunctions, disgorgements, fines, penalties, cease and desist orders, censures, reprimands, and the revocation, cancellation, suspension or restriction of licenses, registration status or approvals held by us or our business in a jurisdiction or market. In addition, a public regulatory issue can have a negative impact on our reputation, and as a result have indirect impacts on our business or growth.

See Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, of this Annual Report, for financial information about our business.

U.S. Regulation

U.S. Regulatory Framework. As a U.S. reporting company, we are subject to U.S. federal securities laws, state securities and corporate laws, state escheatment laws and regulations, and the rules and regulations of certain U.S. regulatory and self-regulatory organizations, such as the SEC and the NYSE. In particular, we are subject to various securities, compliance, corporate governance and disclosure rules adopted by the SEC. We are also subject to various other U.S. federal and state laws, including those affecting corporate governance and disclosure, such as the Securities Act of 1933, the Securities Exchange Act of 1934 (“Exchange Act”), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Sarbanes-Oxley Act of 2002 and the USA PATRIOT Act of 2001. As a NYSE-listed company, we are also subject to NYSE listing and disclosure requirements.

As a global investment management organization, certain of our subsidiaries are also subject to the rules and regulations of various U.S. regulatory and self-regulatory organizations, including the SEC, FINRA, the U.S. Commodity Futures Trading Commission ("CFTC"), the National Futures Association, the U.S. Department of Justice ("DOJ"), the U.S. Department of Labor, and the USDT. Our non-U.S. operations also may be subject to regulation by U.S. regulators, including the SEC, the CFTC and the DOJ (for example with respect to the FCPA).

Certain of our subsidiaries are registered with the SEC under the Advisers Act and/or the CFTC, and many of our funds are registered with the SEC under the Investment Company Act. These registrations, licenses and authorizations impose numerous obligations, as well as detailed operational requirements, on such subsidiaries and funds. The Advisers Act imposes numerous obligations on our registered investment adviser subsidiaries, including record keeping, operating and marketing requirements, disclosure obligations and prohibitions against fraudulent activities. The Investment Company Act imposes similar obligations on the registered investment companies advised by our subsidiaries.

U.S. Regulatory Reforms. Over the years, the U.S. federal corporate governance and securities laws have been augmented substantially and made significantly more complex by various legislation. As we continue to address our legal and regulatory requirements or focus on meeting new or expanded requirements, we may need to expend a substantial amount of additional time, costs and resources. Regulatory reforms may continue to add further complexity to our business and operations and could require us to alter our investment management services and related activities, which could be costly, impede our growth and adversely impact our AUM, revenues and income. Such reforms could significantly increase our reporting, disclosure and compliance obligations. Certain key regulatory reforms in the U.S. that impact or relate to our business, and may cause, or continue to cause, us to incur additional obligations, include:

Executive Compensation Clawback Rules. In October 2023, we adopted an executive compensation clawback policy in order to comply with new Section 10D and Rule 10D-1 of the Exchange Act, and the listing standards of the NYSE, providing for the repayment or forfeiture of certain excess compensation following an applicable accounting restatement from persons who served as an executive officer of Franklin at any time during the performance period for such incentive-based compensation and who received such compensation during the three fiscal years preceding the date on which Franklin is required to prepare an accounting restatement. A copy of the policy is filed as an exhibit to this Annual Report.

Issuer Share Repurchase Plan Disclosure. In May 2023, the SEC adopted final rules requiring additional disclosure of issuer share repurchases, requiring expanded quarterly reporting in tabular format of detailed information regarding share repurchases made by or on behalf of an issuer during the quarter as well as narrative disclosure regarding issuer share repurchase programs and policies. The rules also require new quarterly disclosure of whether a U.S. issuer has adopted or terminated a Rule 10b5-1 trading plan during the quarter, similar to the required disclosure of the adoption and termination of such plans by an issuer's directors and officers. We will become subject to the new quarterly issuer disclosure requirements in our quarterly report for the fiscal quarter ending December 31, 2023.

Cybersecurity Disclosure. In July 2023, the SEC adopted amendments to its rules to require disclosure regarding cybersecurity risk management, strategy, governance and incident reporting by public companies. The SEC's adopted amendments require public companies to (i) disclose, on a current basis, any cybersecurity incident it deems to be material within four business days on a Form 8-K; (ii) describe, on a periodic basis, the company's processes, if any, for the assessment, identification and management of material risks from cybersecurity threats, as well as whether any risks from cybersecurity threats have materially affected or are reasonably likely to materially affect their business strategy, results of operations or financial condition; and (iii) describe, on a periodic basis, the board's oversight of risks from cybersecurity threats and management's role in assessing and managing those risks. The amendments will require ongoing evaluation and analysis of possible changes in our applicable processes and procedures, including regarding cyber incident response plans and procedures, disclosure analysis framework, risk management processes, and board oversight structure. The current disclosure reporting requirements become effective in December 2023, and we will become subject to the annual disclosure requirements in our annual report for the fiscal year ending September 30, 2024.

Sustainable Investing and ESG, and Climate-Related Disclosure. Sustainable investing and ESG continue to be the focus of increased regulatory scrutiny across jurisdictions. In the U.S., the SEC has proposed climate disclosure rules to require public issuers to include enhanced disclosure regarding corporate climate-related information in their periodic reports and registration statements. Such information would include climate-related risks that are reasonably likely to have a material impact on an issuer's business or results of operations, as well as certain climate-related financial statement metrics. In addition, we expect state laws and regulations regarding these topics to continue to evolve and impose new and additional requirements. For example, in October 2023, California enacted a new climate accountability package pursuant to its new Climate Corporate Data Accountability Act that will require annual disclosure of certain greenhouse gas

emissions and new Climate-Related Financial Risk Act that will require biennial disclosure of certain climate-related financial risks and mitigation measures, each beginning in 2026, subject to applicable implementing regulations and rulemaking that may impact final scope and compliance timing. Also, the SEC has increased its focus on disclosure and compliance related to ESG strategies of investment advisers and funds. Globally, the International Sustainability Standards Board and applicable sustainability disclosure standards impact how national regulators and governance bodies approach these and related topics.

Privacy and Data Protection. There continues to be an increased regulatory and enforcement focus with respect to the protection of individuals' privacy and personal data around the world, and the ongoing need to secure and ensure only appropriate collection and use of sensitive customer, personnel, and others' personal data. A majority of the jurisdictions where we operate are covered, or we expect will be covered, by stringent privacy and data protection laws and regulations. As the regulatory focus on privacy continues to intensify and laws and regulations concerning the management of personal data continue to expand, risks related to the handling of privacy obligations and personal data collection across our business will increase. For example, in addition to international data protection and privacy laws and regulations like the EU's GDPR, we are, and expect to continue to be, subject to and affected by existing, new and evolving country, federal and state laws, regulations and guidance around the world impacting consumer and personnel privacy, including the California Consumer Privacy Act, as amended by the California Privacy Rights Act, and various other U.S. state consumer privacy laws that provide for enhanced consumer protections for their residents and impose requirements for the handling, disclosure and deletion of personal information of their residents.

Systemically Important Financial Institutions. The mandate of the Financial Stability Oversight Council ("FSOC") is to identify and respond to threats to U.S. financial stability. Similarly, the U.S. and other members of the G-20 group of nations have empowered the Financial Stability Board ("FSB") to identify and respond, in a coordinated manner, to threats to global financial stability. The FSOC may designate certain non-bank financial companies as systemically important financial institutions ("SIFIs"), which are subject to supervision and regulation by the Board of Governors of the Federal Reserve System. The FSB may designate certain non-bank financial companies as global systemically important financial institutions ("G-SIFIs"). To the extent that we or any of our funds are designated as a SIFI or G-SIFI, such designations would add additional supervision, review, monitoring and/or regulation resulting in increased scrutiny and oversight that could impact our business.

Derivatives and Other Financial Products. Regulators continue to review practices and regulations relating to the use of futures, swaps and other derivatives, which could result in further restrictions and limitations on the use of such products. In October 2020, the SEC adopted new rules governing the use of derivatives by certain registered investment companies, including certain mutual funds, designed to address investor protection concerns, which became effective in August 2022. Key aspects of the new framework include, among other things, value at risk limits on a fund entering into derivatives transactions, required risk management program, and further fund board oversight, reporting and compliance requirements. The EU and other countries have adopted and implemented, or are in the process of adopting or implementing, similar and additional requirements. There is the risk that full mutual recognition may not be achieved between the various regulators, which may cause us to incur duplicate regulation and transaction costs.

Private Fund Adviser Reforms. In May 2023, the SEC adopted amendments to Form PF, which is the confidential reporting form that investment advisers to private funds file to provide confidential information to the SEC and the FSOC. The amendments were adopted largely as proposed and will require (i) current and quarterly reporting by large hedge fund advisers regarding certain events that may indicate stress at a fund or signal broader systemic risk; and (ii) enhanced reporting by large private equity advisers to allow the FSOC to monitor systemic risk. The amendments also will require large private equity fund advisers to report information on general partner and limited partner clawbacks on an annual basis as well as additional information on their strategies and borrowings as a part of their annual filing. The current and quarterly event reporting requirements become effective in November 2023 and the remaining amendments become effective in May 2024. In August 2023, the SEC also adopted new rules and amendments that will require advisers to private funds to (i) obtain an annual audit for each private fund; (ii) provide investors with quarterly statements regarding private fund performance, fees and expenses; and (iii) obtain a fairness or valuation opinion in connection with an adviser-led secondary transaction. Compliance with certain aspects of the rules is required effective in September 2024 and with the remaining elements effective in March 2025.

Money Market Fund Reforms. The regulatory structure governing U.S. money market funds was previously reformed to address perceived systemic risks of money market funds relating to fund stability and investor risks, including allowing certain funds to impose liquidity fees and redemption gates under certain circumstances. In July 2023, the SEC adopted

additional rule and form amendments concerning money market funds registered under the Investment Company Act. The amendments are intended to address problems experienced by certain money market funds in connection with the economic shock at the onset of the COVID-19 pandemic. The new and amended rules will phase in through October 2024 and will, among other changes, impose increased minimum liquidity requirements, impose mandatory liquidity fees on institutional prime and institutional tax-exempt funds under certain circumstances, eliminate redemption gates, and permit share cancellation measures during periods of negative interest rates. In addition, the Form PF was further amended to require additional information regarding the private liquidity funds that an investment manager advises.

Fund Names Rule Reforms. In September 2023, the SEC adopted amendments to the fund "Names Rule" impacting regulated investment funds. The Names Rule generally requires a fund to invest at least 80% of the value of its assets in the particular type of investments or industry suggested by the fund's name. The amendments expand the applicability of the Names Rule and impacted funds may need to modify their names or alter their investment strategies to comply with the amendments, potentially impacting their portfolios. Funds with names that suggest a focus on investments that have particular characteristics, such as "growth," "value" or thematic terms such as "ESG," would be required to adopt a policy to invest at least 80% of the fund's assets in those investments and would be subject to enhanced disclosure and reporting requirements. The SEC did not clearly define these terms and instead is allowing fund managers the flexibility to create their own reasonable definitions. Compliance with the rules is required effective in December 2025.

U.S. and Global Tax Compliance. Our business may be directly or indirectly affected by tax legislation and regulation, or the modification of existing tax laws, by applicable tax and other governmental authorities. The Organization for Economic Co-operation and Development, an intergovernmental organization, has focused on addressing the tax challenges of the digitalization of the economy, which may further impact multinational businesses by allocating a greater share of taxing rights to countries where consumers are located regardless of the current physical presence of a business, and by implementing a global minimum tax. We will continue to monitor developments regarding such matters and any significant impacts on our effective tax rate.

Non-U.S. Regulation

Our operations outside the U.S. are subject to the laws and regulations of various non-U.S. jurisdictions and non-U.S. regulatory agencies and bodies. Our international operations are subject to regulatory systems in various jurisdictions, comparable to those covering our operations in the U.S.

Europe. In Luxembourg, the Commission de Surveillance du Secteur Financier ("CSSF") regulates our substantial activities in Luxembourg, including our subsidiary Franklin Templeton International Services S.à r.l. ("FTIS Lux"). FTIS Lux is licensed as a management company for both the Undertakings for Collective Investment in Transferable Securities Directive ("UCITS") and alternative investment funds ("AIFs") and, as such, it manages our Luxembourg-domiciled UCITS and our EU-domiciled AIFs. FTIS Lux's license also covers certain investment services, such as discretionary portfolio management, investment advice and reception and transmission of orders in relation to financial instruments. The CSSF's rules include capital resource, governance and risk management requirements, business conduct rules, remuneration rules and oversight of systems and controls.

Our international funds include two broad ranges of cross-border UCITS that are domiciled in Luxembourg and Ireland, as applicable, and thereby subject to regulation by the CSSF and the Central Bank of Ireland. Both UCITS are also registered for public sale in many countries around the world, both in the EU and beyond, and thus are also subject to the laws of, and certain supervision by, the governmental authorities of those countries.

In the U.K., the Financial Conduct Authority (the "FCA") and the Prudential Regulation Authority (the "PRA") currently regulate certain of our subsidiaries. Authorization by the FCA and the PRA is required to conduct any financial services-related business in the U.K. pursuant to the Financial Services and Markets Act 2000. The FCA's and PRA's rules under that act govern a firm's capital resources requirements, senior management arrangements, business conduct, interaction with clients, and systems and controls.

In addition, the EU Markets in Financial Instruments Directive, as revised and expanded in 2018 ("MiFID II"), regulates the provision of investment services and conduct of investment activities throughout the European Economic Area ("EEA"). As revised, MiFID II sets out detailed requirements governing the organization and business conduct of investment firms and regulated markets, and includes pre- and post-trade transparency requirements for equity markets and extensive transaction reporting requirements. It also includes an expansion of the types of instruments subject to these requirements, such as bonds, structured products and derivatives, and changes to business conduct requirements, including selling practices, intermediary inducements and client categorization. MiFID II also includes a ban on commission and other payments ("inducements") to independent advisers and discretionary managers, which has changed the commercial relationships between fund providers and distributors. Arrangements with non-independent advisers have also been affected, as narrower rules around the requirement that any commission reflect an enhancement of the service to customers come into effect, along with a prescriptive list of permissible non-monetary benefits. The interpretation of the inducements rules has also resulted in major changes to how fund managers finance investment research with many firms, including ours.

The European Market Infrastructure Regulation sets out rules in relation to the central clearing of specified derivatives. Mutual recognition of central counterparties has been achieved between the EU regulatory authorities and other important jurisdictions including the U.S. In addition, there are rules relating to margin requirements for uncleared over-the-counter derivatives. Future regulatory policy reviews will decide whether these rules are extended to other types of derivative instruments, which could increase operational costs for our business and transactional costs for our clients.

The EU's Alternative Investment Fund Managers Directive ("AIFMD") regulates managers of, and service providers to, AIFs that are domiciled and offered in the EU and that are not authorized as retail funds under UCITS. The AIFMD also regulates the marketing within the EU of all AIFs, including those domiciled outside the EU. The introduction of a third-country passport to non-EU AIFs/AIF managers has been delayed until further positive advice is delivered to the European Commission regarding a sufficient number of non-EU countries to better evaluate the impact, including with respect to the withdrawal of the U.K. from the EU. Compliance with the AIFMD's requirements may restrict AIF marketing and imposes compliance obligations in the form of remuneration policies, capital requirements, reporting requirements, leverage oversight, valuation, stakes in EU companies, the domicile, duties and liability of custodians and liquidity management.

The EU regulation on packaged retail investment and insurance products ("PRIIPs") imposed new pre-contractual disclosure requirements under the form of a Key Information Document ("KID") for the benefit of retail investors when they are considering the purchase of packaged retail investment products or insurance-based products.

The EU's Sustainable Finance Disclosure Regulation ("SFDR") imposes mandatory ESG disclosure obligations on asset managers and other financial markets participants. SFDR requires all covered firms to disclose how financial products integrate sustainability risks in the investment process, including whether they consider adverse sustainability impacts, and, for those products promoting sustainable objectives, the provision of sustainability-related information. Related amendments to applicable legislation require that all covered investment managers must consider in their investment process any ESG risks which are likely to have a material impact on the value of the investment, and require investment advisers to inquire as to the investor's desire for ESG-focused products in their portfolio when assessing suitability. The availability of such sustainability disclosure may impact the investment decisions of European investors.

The EU's proposal for a Corporate Sustainability Due Diligence Directive ("CSDD") would impose due diligence obligations requiring companies to identify, and to prevent or at least mitigate, adverse impacts on human rights and the environment, including by their subsidiaries and supply chain partners. Obligations would be enforced through administrative sanctions and civil liability, with a defense of having exercised reasonable due diligence. The CSDD proposal remains subject to ongoing review and negotiation in the EU.

Australia. In Australia, our subsidiaries are subject to various Australian federal and state laws and are regulated by the Australian Securities and Investments Commission ("ASIC"). ASIC regulates companies, financial markets and financial services in Australia. ASIC imposes certain conditions on licensed financial services organizations that apply to our subsidiaries, including requirements relating to capital resources, operational capability and controls.

Canada. In Canada, our subsidiaries are subject to provincial and territorial laws and are registered with and regulated by provincial and territorial securities regulatory authorities. The mandate of Canadian securities regulatory authorities is generally to protect investors; to foster fair, efficient and competitive capital markets; to foster capital formation; and to contribute to the stability of the financial system and the reduction of systemic risk. Securities regulatory authorities impose certain requirements on registrants, including a standard of conduct, capital and insurance, record

keeping, regulatory financial reporting, conflict of interest management, compliance systems and security holder reporting. In addition, one of our Canadian subsidiaries is a federally licensed trust company subject to regulation and supervision by the Office of the Superintendent of Financial Institutions and another subsidiary is a member of and regulated by the Canadian Investment Regulatory Organization. These regulatory bodies have similar requirements to those of the securities regulatory authorities with a view to ensuring the capital adequacy and sound business practices of the subsidiaries and the appropriate treatment of their clients.

Cayman Islands. In the Cayman Islands, the Cayman Islands Monetary Authority ("CIMA") is responsible for the regulation and supervision of financial services, the monitoring of compliance with anti-money laundering regulations, and the issuance of statements of principle and guidance. In February 2020, the Cayman Islands enacted the Private Funds Law 2020 (the "Private Funds Law"), which requires private funds that engage in business in or from the Cayman Islands to register with CIMA, unless an exemption applies. The Private Funds Law applies to any Cayman Islands closed-end fund. Open-end funds such as hedge funds continue to be regulated by the Mutual Funds Law in the Cayman Islands. The registration requirements applicable to our private funds domiciled in the Cayman Islands have posed, and may continue to pose, additional compliance costs and burdens on our business.

Hong Kong. In Hong Kong, our applicable subsidiaries are subject to the Securities and Futures Ordinance ("SFO") and its subsidiary legislation, which governs the securities and futures markets and regulates, among others, offers of investments to the public and provides for the licensing of dealing in securities and asset management activities and intermediaries. This legislation is administered by the Securities and Futures Commission ("SFC"). The SFC is also empowered under the SFO to establish standards for compliance as well as codes and guidelines. Our subsidiaries and employees conducting any of the regulated activities specified in the SFO are required to be licensed with the SFC, and are subject to the rules, codes and guidelines issued by the SFC from time to time.

India. The Securities and Exchange Board of India, Reserve Bank of India, the Ministry of Corporate Affairs and the Department of Industrial Policy and Promotion are the major regulatory authorities that are capable of issuing directions of a binding nature to our subsidiaries in India.

Japan. In Japan, our subsidiaries are subject to the Financial Instruments and Exchange Act and the Act on Investment Trusts and Investment Corporations. These laws are administered and enforced by the Japanese Financial Services Agency, which establishes standards for compliance, including capital adequacy and financial soundness requirements, customer protection requirements, and business conduct rules.

Singapore. In Singapore, our subsidiaries are subject to, among others, the Securities and Futures Act ("SFA"), the Financial Advisers Act ("FAA") and the subsidiary legislation promulgated pursuant to these Acts, which are administered by the Monetary Authority of Singapore ("MAS"). Our asset management subsidiaries and their employees conducting regulated activities specified in the SFA and/or the FAA are required to be licensed with the MAS.

Other Non-U.S. Jurisdictions. There are similar legal and regulatory arrangements in effect in many other non-U.S. jurisdictions where our subsidiaries, branches and representative offices, as well as certain joint ventures or companies in which we own minority stakes, are authorized to conduct business. We are also subject to regulation and supervision by, among others, the Securities Commission of The Bahamas, the Central Bank of Brazil and the Comissão de Valores Mobiliários in Brazil, the China Securities Regulatory Commission in the People's Republic of China, the Financial Services Commission and the Financial Supervisory Service in South Korea, the Securities Commission in Malaysia, the Comision Nacional Bancaria y de Valores in Mexico, the Polish Securities and Exchange Commission, the Romanian Financial Services Authority, the Swiss Federal Banking Commission, the Financial Supervisory Commission in the Republic of China, the Dubai Financial Services Authority in the United Arab Emirates, and the State Securities Commission of Vietnam.

INTELLECTUAL PROPERTY

We have used, registered, and/or applied to register certain trademarks, service marks and trade names to distinguish our sponsored products and services from those of our competitors in the U.S. and in other countries and jurisdictions, including, but not limited to, Alcentra®, Benefit Street Partners®, Brandywine Global Investment Management®, Clarion Partners®, ClearBridge Investments®, Fiduciary Trust International™, Franklin®, Franklin Bissett®, Franklin Mutual Series®, K2®, Legg Mason®, Lexington Partners®, Martin Currie®, O'Shaughnessy® Asset Management, Royce® Investment Partners, Templeton® and Western Asset Management Company®. Our trademarks, service marks and trade names are important to us and, accordingly, we enforce our trademark, service mark and trade name rights. The Franklin Templeton® brand has been, and continues to be, extremely well received both in our industry and with our clients, reflecting the fact that our brand, like our business, is based in part on trust and confidence. If our brand is harmed, our future business prospects may be adversely affected.

HUMAN CAPITAL RESOURCES

As of September 30, 2023, we employed approximately 9,200 employees and operated offices in over 30 countries. We depend upon our key personnel to manage our business, including our portfolio managers, investment analysts, sales and management personnel and other professionals as well as our executive officers and business unit heads. Competition for experienced personnel is significant and from time to time we may experience a loss of valuable personnel. The retention of our key investment personnel is material to the management of our business.

At an enterprise level, we use employee surveys to understand sentiment and engagement in the organization. At a team level, our performance management system supports ongoing, active discussion about goals and objectives. We also host live forums for leaders to engage directly with employees to help reinforce our culture of open feedback. Our employees have access to a valuable set of equitable and competitive total rewards, which consists of a mix of monetary and non-monetary rewards designed to recognize their time, talents and results.

Recognizing the importance of diversity, equity, and inclusion ("DEI") is a priority in our organization. We believe that our ability to attract, develop and retain a diverse and highly-skilled workforce is important to our long-term success. We have developed DEI strategies and initiatives anchored in our core values. To support our DEI efforts, we have allocated dedicated resources for DEI, established a global governance structure, and have established research-based DEI policies and procedures.

We believe that our commitment to creating and maintaining a diverse workforce, including backgrounds and perspectives, makes us a better place to work and a more resilient business. We value an inclusive culture that leverages the expertise and perspectives of our diverse workforce as an important factor in our ability to deliver innovative and relevant client solutions in a dynamic marketplace.

AVAILABLE INFORMATION

The SEC maintains a website that contains current and periodic reports, proxy and information statements, and other information regarding issuers, including Franklin, that file electronically with the SEC, at www.sec.gov. Additional information about Franklin's filings can also be obtained through our website at www.franklinresources.com under "Investor Relations." We make available free of charge on our website Franklin's Annual Report 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 Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Franklin periodically provides other information for investors on its website, such as press releases, presentations and other information about financial performance. The information on our website is not incorporated by reference into, and is not a part of, this Annual Report.

Item 1A. Risk Factors.

MARKET AND VOLATILITY RISKS

Volatility and disruption of our business and financial markets and adverse changes in the global economy may significantly affect our results of operations and put pressure on our financial results.

We derive substantially all of our operating revenues and income from providing investment management and related services to investors in jurisdictions worldwide through our investment products, which include our funds, as well as institutional and high-net-worth separate accounts, retail separately managed account programs, sub-advised products, and other investment vehicles. Related services include fund administration, sales and distribution, and shareholder servicing. We may perform services directly or through third parties. The asset management industry continues to experience disruption and challenges, including increased fee pressure, regulatory changes, an increasing and changing role of technology in asset management services, the continuous introduction of new products and services, and the consolidation of financial services firms through mergers and acquisitions. Further, financial markets have currently and in the past experienced and may continue, from time to time, to experience volatility and disruption worldwide. For example, the closures in March 2023 of Silicon Valley Bank and Signature Bank in the U.S. and the acquisition in June 2023 of Credit Suisse Group AG resulted in market disruption and volatility. Declines in global economic markets have periodically resulted, and may continue to result, in significant decreases in our AUM, revenues and income, and future declines may further negatively impact our financial results. Such declines have had, and may in the future have, a material adverse impact on our business. We may need to modify our business, strategies or operations and we may be subject to additional constraints or costs in order to compete in a changing global economy and business environment.

Individual financial, equity, debt and commodity markets may be adversely affected by financial, economic, political, electoral, diplomatic or other instabilities that are particular to the country or region in which a market is located, including without limitation local acts of terrorism, economic crises, political protests, war, insurrection or other business, social or political crises. For example, the Russian invasion of Ukraine and the threat that Russia's military aggression may continue to expand have significantly impacted the global economy and financial markets, which has had, and may continue to have, an adverse effect on our investment performance and flows in certain products. In addition, the recent war in Israel and the threat of ongoing international conflict have created further global instability. Global economic conditions, exacerbated by war, terrorism, social, civil or political unrest, natural disasters, public health crises, such as epidemics or pandemics, or financial crises, changes in the equity, debt or commodity marketplaces, changes in currency exchange rates, interest rates, inflation rates, the yield curve, defaults by trading counterparties, bond defaults, revaluation and bond market liquidity risks, geopolitical risks, the imposition of economic sanctions and other factors that are difficult to predict, affect the mix, market values and levels of our AUM. Changing market conditions could also cause an impairment to the value of our goodwill and other intangible assets.

The amount and mix of our AUM are subject to significant fluctuations, and a shift in our asset mix toward lower-fee products may negatively impact our revenues and income.

Fluctuations in the amount and mix of our AUM may be attributable in part to market conditions outside of our control that have had, and in the future could have, a negative impact on our revenues and income. The level of our revenues depends largely on the level and relative mix of AUM. Our investment management fee revenues are based primarily on a percentage of AUM and vary with the nature and strategies of our products. Any decrease in the value or amount of our AUM because of market volatility or other factors, such as asset outflows or a decline in the price of stocks, in particular market segments or in the securities market generally, negatively impacts our revenues and income. Changing market conditions and investor preferences may cause a shift in our asset mix toward certain lower fee products, such as fixed income products and ETFs, and away from higher fee equity and alternative products, which may cause a related decline in our revenues and income. In addition, increases in interest rates, particularly if rapid, as well as uncertainty in the future direction of interest rates, may have a negative impact on our fixed income products and decrease the total return on bond investments due to lower market valuations of existing bonds. Moreover, we generally derive higher investment management and distribution fees from our international products than from our U.S. products, and higher sales fees from our U.S. products than from our international products. Changing market conditions may cause a shift in our asset mix between international and U.S. products, potentially resulting in a decline in our revenues and income depending upon the nature of our AUM and the level of fees we earn on that AUM.

Our funds may be subject to liquidity risks or an unanticipated large number of redemptions and fund closures.

Due to market volatility or other events or conditions described above, our funds may need to sell securities or instruments that they hold, possibly at a loss, or draw on any available lines of credit, to obtain cash to maintain sufficient liquidity or settle these redemptions, or settle in-kind with securities held in the applicable fund. While we have no legal or contractual obligation to do so, we have in the past provided, and may in the future at our discretion provide, financial support to our funds to enable them to maintain sufficient liquidity in any such event. Changes in investor preferences regarding our more popular products have in the past caused, and could in the future cause, sizable redemptions and lower the value of our AUM, which would result in lower revenue and operating results. Increased market volatility and changes in investor preferences also increase the risk of fund closures. Any decrease in the level of our AUM resulting from market declines, credit or interest rate volatility or uncertainty, increased redemptions or other factors could negatively impact our revenues and income.

INVESTMENT PERFORMANCE AND REPUTATIONAL RISKS

Poor investment performance of our products could reduce the level of our AUM or affect our sales, and negatively impact our revenues and income.

Our investment performance, along with achieving and maintaining superior distribution and client service, is critical to the success of our business. Strong investment performance often stimulates sales of our products. Poor investment performance, as currently experienced by certain of our products, as compared to third-party benchmarks or competitive products, has led, and could in the future lead, to a decrease in sales of our products and stimulate redemptions from existing products, generally lowering the overall level of AUM and reducing the management fees we earn. We can provide no assurance that past or present investment performance in our products will be indicative of future performance. If we fail, or appear to fail, to successfully and promptly address the underlying causes of poor investment performance, our future business prospects would likely be negatively affected.

Harm to our reputation may negatively impact our revenues and income.

Our reputation is critical to the success of our business. We believe that our brand names have been, and continue to be, well received both in our industry and with our clients, reflecting the fact that our brands, like our business, are based in part on trust and confidence. If our brands or reputation are harmed, existing clients may reduce amounts held in, or withdraw entirely from, our products, or our clients and products may terminate their management agreements with us, which could reduce the amount of our AUM and cause us to suffer a corresponding loss in our revenues and income. In addition, reputational harm may prevent us from attracting new clients or developing new business. Moreover, ESG topics and activities have been the subject of increased focus by certain investors and regulators in the asset management industry, and any inability to meet applicable requirements or expectations may adversely impact our reputation and business.

GLOBAL OPERATIONAL RISKS

Our business and operations are subject to adverse effects from the outbreak and spread of contagious diseases such as COVID-19.

The outbreak and spread of contagious diseases such as COVID-19 have had, and may in the future have, adverse effects on our business, financial condition and results of operations. The COVID-19 pandemic resulted in a widespread global public health crisis. Such infectious illness outbreaks or other adverse public health developments in countries where we operate, as well as local, state and/or national government restrictive measures implemented to control such outbreaks, could adversely affect the economies of many nations or the entire global economy, the financial condition of individual issuers or companies and capital markets, in ways that cannot necessarily be foreseen, and such impacts could be significant and long term. Such extraordinary events and their aftermaths can cause investor fear and panic, which can further adversely affect the operations and performance of companies, sectors, nations, regions and financial markets in general and in ways that cannot necessarily be foreseen. It is not possible to predict the full extent to which a pandemic may evolve and/or adversely impact our business, liquidity, capital resources, financial results and operations.

We may review and pursue strategic transactions that could pose risks to our business and global operations.

As part of our global business strategy, we regularly consider, and have discussions with respect to, potential strategic transactions, including acquisitions, dispositions, consolidations, joint ventures or similar transactions, some of which may be deemed material. There can be no assurance that we will find suitable candidates for strategic transactions at acceptable prices, have sufficient capital resources to accomplish our strategy, or be successful in entering into agreements for desired transactions. In addition, such transactions typically involve a number of risks and present financial, managerial and operational challenges. Acquisitions and related transactions pose the risk that any business we acquire may result in the loss of clients, customers or personnel or could underperform relative to expectations. We also may not realize the anticipated benefits of an acquisition, including with respect to revenue, tax benefits, financial benefits or returns, and expense and other synergies. We could also experience financial or other setbacks if transactions encounter unanticipated problems, including problems related to execution or integration. Entries into material transactions typically are announced publicly even though they may remain subject to numerous closing conditions, contingencies and approvals, and there is no assurance that any announced transaction will actually be consummated. Future transactions also may further increase our leverage or, if we issue equity securities to pay for acquisitions, dilute the holdings of our existing stockholders.

In addition, from time to time, we enter into joint ventures or take minority stakes in companies in which we typically do not have control. These investments may involve risks, including the risk that the controlling stakeholder or joint venture partner may have business interests, strategies or goals that are inconsistent with ours. The business decisions or other actions or omissions of the controlling stakeholder, joint venture partner or the entity itself may result in liability to us or harm to our reputation, or adversely affect the value of our investment in the entity.

Our business operations are complex and a failure to perform operational tasks properly or comply with applicable regulatory requirements could have an adverse effect on our revenues and income.

Through our subsidiaries, we provide investment management and related services to investors globally. Further, we outsource various administration, technology, transfer agency and other services for our funds to third-party providers who may serve as a sub-agent or delegate. In order to be competitive and comply with our agreements, we must properly perform our fund and portfolio administration and related responsibilities, including portfolio recordkeeping and accounting, security pricing, corporate actions, investment restrictions compliance, daily net asset value computations, account reconciliations, and required distributions to fund shareholders. Many of our operations are complex and dependent on our ability, and the ability of our third-party providers, to process and monitor a large number of transactions effectively, which may occur across numerous markets and currencies at high volumes and frequencies. Although we expend considerable resources on internal controls, supervision, technology and training in an effort to ensure that such transactions do not violate applicable guidelines, rules and regulations or adversely affect our clients, counterparties or us, our operations are ultimately dependent on our personnel, as well as others involved in our business, such as third-party vendors, providers and other intermediaries, and subject to potential human errors. Our personnel and others involved in our business may, from time to time, make mistakes that are not always immediately detected, which may disrupt our operations, cause losses, lead to regulatory fines or sanctions, litigation, or otherwise damage our reputation. In addition, any misrepresentation of our services and products in advertising materials, public relations information, social media or other external communications could also adversely affect our reputation and business prospects. Our investment management fees, which represent a majority of our revenues, are dependent on fees earned under investment management agreements that we have with our products and clients. Our revenues could be adversely affected if such agreements representing a significant portion of our AUM are terminated. Further, certain of our subsidiaries may act as general partner for various investment partnerships, which may subject them to liability for the partnerships' liabilities. If we fail to perform and monitor our operations properly, our business could suffer and our revenues and income could be adversely affected.

Failure to establish adequate controls and risk management policies, or the circumvention of controls and policies, could have an adverse effect on our global operations, reputation and financial position.

Although we have adopted risk management, operational and financial controls and compliance policies, procedures and programs that are subject to regular review and update, we cannot ensure that these measures will enable us effectively to identify and manage internal and external risks including those related to fraudulent activity and dishonesty. We are subject to the risk that our personnel, contractors, vendors and other third parties may deliberately or recklessly circumvent or violate our controls to commit fraud against our business, products and/or client accounts, pay or solicit bribes, or otherwise act in ways inconsistent with our controls, policies, workplace culture and business principles. Continued

attempts to circumvent our policies and controls or repeated incidents involving violation of controls and policies, fraud or conflicts of interests could negatively impact our business and reputation and result in adverse publicity, regulatory investigations and actions, legal proceedings and losses and adversely affect our operations, reputation, AUM and financial results.

We face risks, and corresponding potential costs and expenses, associated with conducting operations and growing our business in numerous countries.

We sell our products and offer our strategies and investment management and related services in many different regulatory jurisdictions around the world, and intend to continue to expand our operations internationally. As we do so, we will continue to face challenges to the adequacy of our resources, procedures and controls to operate our business consistently and effectively. In order to remain competitive, we must be proactive and prepared to implement necessary resources when growth opportunities present themselves, whether as a result of a business acquisition or rapidly increasing business activities in particular markets or regions. Local regulatory environments may vary widely in terms of scope, adequacy and sophistication. Similarly, local distributors, and their policies and practices as well as financial viability, may vary widely and they may be inconsistent or less developed or mature than other more internationally focused distributors. Growth of our international operations has involved and may continue to involve near-term increases in expenses, as well as additional capital costs, such as information systems and technology costs, and costs related to compliance with particular regulatory or other local requirements or needs. Local requirements or needs also may place additional demands on sales and compliance personnel and resources, such as meeting local language requirements, while also integrating personnel into an organization with a single operating language. Finding, hiring and retaining additional, well-qualified personnel and crafting and adopting policies, procedures and controls to address local or regional requirements remain challenges as we expand our operations internationally.

Moreover, regulators in non-U.S. jurisdictions could also change their policies or laws in a manner that might restrict or otherwise impede our ability to distribute or authorize products or maintain their authorizations in their respective markets. Any of these local requirements, activities or needs could increase the costs and expenses we incur in a specific jurisdiction without any corresponding increase in revenues and income from operating in the jurisdiction. Certain laws and regulations both inside and outside the U.S. have extraterritorial application. This may lead to duplicative or conflicting legal or regulatory burdens and additional costs and risks.

Our focus on international markets as a source of investments and sales of our products subjects us to increased exchange rate and market-specific political, economic or other risks that may adversely impact our revenues and income generated overseas.

While we maintain a significant portion of our operations in the U.S., we also provide services and earn revenues in Asia-Pacific; Europe, Middle East and Africa; Latin America; and Canada. As a result, we are subject to foreign currency exchange risk through our non-U.S. operations. Fluctuations in the exchange rates to the U.S. dollar have affected, and may in the future affect, our financial results from one period to the next. While we have taken steps to reduce our exposure to foreign exchange risk, for example, by denominating a significant amount of our transactions in U.S. dollars, our situation may change in the future. Appreciation of the U.S. dollar could in the future moderate revenues from managing our products internationally, or could affect relative investment performance of certain of our products invested in non-U.S. securities. In addition, we have risk associated with the foreign exchange revaluation of U.S. dollar balances held by certain non-U.S. subsidiaries for which the local currency is the functional currency. Separately, management fees that we earn tend to be higher in connection with non-U.S. AUM than with U.S. AUM. Consequently, downturns in international markets have in the past had, and could in the future have, a significant effect on our revenues and income. Moreover, our emerging market portfolios and revenues derived from managing these portfolios are subject to significant risks of loss from financial, economic, political and diplomatic developments, currency fluctuations, social instability, changes in governmental policies, nationalization, asset confiscation and changes in legislation related to non-U.S. ownership. International trading markets, particularly in some emerging market countries, are often smaller, less liquid, less regulated and significantly more volatile than those in the U.S. Any ongoing and future business, economic, political or social unrest affecting these markets, in addition to any direct consequences such unrest may have on our personnel and facilities located in the affected area, also may have a lasting impact on the long-term investment climate in these and other areas and, as a result, our AUM and the corresponding revenues and income that we generate from them may be negatively affected.

We may not effectively manage risks associated with the replacement of benchmark indices.

The replacement of widely used benchmark indices such as the London Interbank Offered Rate ("LIBOR") with alternative benchmark rates may impose a number of risks on our business, our clients and the financial services industry more widely. These include financial risks arising from changes in the valuation of financial instruments linked to benchmark indices, pricing and operational risks, and legal implementation and revised documentation. LIBOR was replaced by the Secured Overnight Financing Rate and other alternatives in June 2023. We may from time to time face operational challenges implementing successor benchmarks.

COMPETITION AND DISTRIBUTION RISKS

Failure to properly address the increased transformative pressures affecting the asset management industry could negatively impact our business.

The asset management industry is facing transformative pressures and trends from a variety of different sources including increased fee pressure; a continued shift away from actively managed core equities and fixed income strategies towards alternative, passive and smart beta strategies; increased demands from clients and distributors for client engagement and services; a trend towards institutions developing fewer relationships and partners and reducing the number of investment managers they work with; increased regulatory activity and scrutiny of many aspects of the asset management industry, including ESG practices and related matters, transparency/unbundling of fees, inducements, conflicts of interest, capital, liquidity, solvency, leverage, operational risk management, controls and compensation; addressing the key emerging markets in the world, such as China and India, which often have populations with different needs, preferences and horizons than the more developed U.S. and European markets; advances in technology and digital wealth and distribution tools and increasing client interest in interacting digitally with their investment portfolios; and growing crypto asset markets that remain subject to substantial volatility and significant regulatory uncertainty. As a result of the trends and pressures discussed above, the asset management industry is facing an increased level of disruption. If we are unable to adapt our strategy and business to address adequately these trends and pressures, we may be unable to meet client needs satisfactorily, our competitive position may weaken, and our business results and operations may be adversely affected.

Strong competition from numerous and sometimes larger companies with competing offerings and products could limit or reduce sales of our products, potentially resulting in a decline in our market share, revenues and income.

We compete with numerous investment management companies, securities brokerage and investment banking firms, insurance companies, banks and other financial institutions. Our products also compete with products offered by these competitors, as well as with real estate investment trusts, hedge funds and other products. The periodic establishment of new investment management companies and other competitors increases the competition that we face. At the same time, consolidation in the financial services industry has created stronger competitors with greater financial resources and broader distribution channels than our own. Competition is based on various factors, including, among others, business reputation, investment performance, product mix and offerings, ESG strategies and considerations, service quality and innovation, distribution relationships, and fees charged. Further, although we may offer certain types of ETFs, to the extent that there is a trend among existing or potential clients in favor of lower-fee index and other ETFs, it may favor our competitors who may offer such products that are more established or on a larger scale than we do. Additionally, competing securities broker-dealers and banks, upon which we rely to distribute and sell certain of our funds and other products, also may sell their own proprietary funds and products, which could limit the distribution of our products. To the extent that existing or potential clients, including securities broker-dealers, decide to invest in or distribute the products of our competitors, the sales of our products as well as our market share, revenues and income could decline. Our ability to attract and retain AUM is also dependent on the relative investment performance of our products, offering a mix of products and strategies that meets investor demands, and our ability to maintain our investment management fees and pricing structure at competitive levels.

Increasing competition and other changes in the third-party distribution and sales channels on which we depend could reduce our revenues and income and hinder our growth.

We primarily derive our fund sales through third-party broker-dealers, banks, investment advisers and other financial intermediaries. Because we rely on third-party distribution and sales channels to sell our products, we do not control the ultimate investment recommendations given by them to clients. Such financial intermediaries may recommend competing products. Increasing competition for these distribution and sales channels, and regulatory changes and initiatives, have

caused our distribution costs to rise and could cause further cost increases in the future, or could otherwise negatively impact the distribution of our products. Consolidations in the broker-dealer or banking industries also could adversely impact our revenues and income. A failure to maintain our third-party distribution and sales channels, or a failure to maintain strong business relationships with our distributors and other intermediaries, may impair our distribution and sales operations. Any inability to access and successfully sell our products to clients through such third-party channels could have a negative effect on our level of AUM and adversely impact our business.

Moreover, we can provide no assurance that we will continue to have access to the third-party financial intermediaries that currently distribute our products, or that we will continue to have the opportunity to offer all or some of our existing products through them. If several of the major financial advisers that distribute our products were to cease operations or limit or otherwise end the distribution of our products, it could have a significant adverse impact on our revenues and income.

Further, the standards of conduct and disclosure and reporting requirements, with respect to fees, products, services and possible conflicts of interest, applicable to broker-dealers and other financial intermediaries in the U.S., remain subject to change and enhancement pursuant to business and regulatory developments and requirements, including with respect to investor suitability obligations, enhanced investor protections for retail customers, and increased compliance requirements.

In addition, Canada, the U.K., the Netherlands and the EU, through MiFID II, have adopted regimes that ban, or may limit, the payment of commissions and other inducements to intermediaries in relation to certain sales to retail customers in those jurisdictions, and similar regimes are under consideration in several other jurisdictions. Depending on their exact terms, such regimes may result in existing flows of business moving to less profitable channels or even to competitors providing substitutable products outside the regime. Arrangements with non-independent advisers will also be affected as narrower rules related to the requirement that commissions reflect an enhancement of the service to customers come into effect, along with a prescriptive list of permissible non-monetary benefits. The interpretation of the inducements rules has also resulted in major changes to how fund managers, including us, finance investment research with many firms.

THIRD-PARTY RISKS

Any failure of our third-party providers to fulfill their obligations, or our failure to maintain good relationships with our providers, could adversely impact our business.

We currently, and may in the future, depend on a number of third-party providers to support various operational, administrative, technology, transfer agency, market data, distribution, and other business needs of our company. Further, we outsource various administration, technology, transfer agency and other services for our funds to third-party providers. In addition, we may, from time to time, transfer vendor contracts and services from one provider to another. If our third-party providers fail to deliver required services on a timely basis, or if we experience other negative service quality or relationship issues with our providers, we may be exposed to significant costs and/or operational difficulties, and our ability to conduct and grow our business may be impaired. Such administrative and functional changes are costly and complex, and may expose us to heightened operational risks. Any failure to mitigate such risks could result in reputational harm to us, as well as financial losses to us and our clients. The failure of any key provider or vendor to fulfill its obligations to us could result in outcomes inconsistent with our or our clients' objectives and requirements, result in legal liability and regulatory issues for us, and otherwise adversely impact us.

We may be adversely affected if any of our third-party providers is subject to a successful cyber or security attack.

Due to our interconnectivity with and dependency upon third-party vendors, advisors, central agents, exchanges, clearing organizations and other financial institutions, we may be adversely affected if any of them is subject to a successful cyber attack or other privacy or information security event. Most of the software applications that we use in our business are licensed from, and supported, upgraded and maintained by, third-party vendors. Our third-party applications include enterprise cloud storage and cloud computing application services provided and maintained by third-party vendors. Any breach, suspension or termination of certain of these licenses or the related support, upgrades and maintenance could cause temporary system delays or interruption that could adversely impact our business. Our third-party applications and third-party services may include confidential and proprietary data, including personal employee and/or client data.

TECHNOLOGY AND SECURITY RISKS

Our ability to manage and grow our business successfully can be impeded by systems and other technological limitations.

Our continued success in effectively managing and growing our business depends on our ability to integrate our varied accounting, financial, information, and operational systems on a global basis. Moreover, adapting or developing the existing technology systems we use to meet our internal needs, as well as client needs, industry demands and new regulatory requirements, is also critical for our business. The introduction of new technologies presents new challenges to us. On an ongoing basis, we need to upgrade and improve our technology, including our data processing, financial, accounting, shareholder servicing and trading systems. Further, we also must be proactive and prepared to implement new technology when growth opportunities present themselves, whether as a result of a business acquisition or rapidly increasing business activities in particular markets or regions. These needs could present operational issues or require significant capital spending, and may require us to reevaluate the current value and/or expected useful lives of the technology we use, which could negatively impact our results of operations. In addition, technology is subject to rapid advancements and changes and our competitors may, from time to time, implement newer technologies or more advanced platforms for their services and products, including digital advisers, digital wealth and distribution tools, crypto asset tools and other advanced electronic systems, which could adversely affect our business if we are unable to remain competitive.

Any significant limitation, failure or security breach of our information and cyber security infrastructure, software applications, technology or other systems that are critical to our operations could disrupt our business and harm our operations and reputation.

We are highly dependent upon the use of various proprietary and third-party information and security technology, software applications, external third-party services and other technology systems, and remote equipment and connectivity infrastructure, to access critical business systems necessary to operate our business. We are also dependent on the continuity and effectiveness of our information and cyber security infrastructure, management oversight and reporting framework, policies, procedures and capabilities to protect our computer and telecommunications systems and the data that reside on or are transmitted through them and contracted third-party systems. We use technology on a daily basis in our business to, among other things, support our business continuity and operations, process and transmit confidential communications, store and maintain data, obtain securities pricing information, process client transactions, and provide reports and other services to our clients. Any disruptions, inaccuracies, delays, theft, systems failures, data security or privacy breaches, cyber attacks or cyber-related fraud, or other security breaches in these and other processes could subject us to significant client dissatisfaction and losses and damage our reputation. We and our third-party service providers have been, and we expect to continue to be, the subject of these types of risks, breaches and/or attacks, as well as attempts to co-opt our brand. Although we take protective measures, including measures to secure and protect information through system security technology and our internal security procedures, we can provide no assurance that any of these measures will prove effective or comply with evolving information security standards. The technology systems we use remain vulnerable to denial of service attacks, unauthorized access, computer viruses, potential human errors and other events and circumstances that may have a security impact, such as an external or internal hacker attack by one or more cyber criminals (including through the use of phishing attacks, malware, ransomware and other methods and activities maliciously designed to obtain and exploit confidential information and to cause system and service disruption and other damage) or our personnel or vendors inadvertently or recklessly causing us to release confidential information, which could materially harm our operations and reputation.

Potential system disruptions, failures or breaches of the technology we use or the security infrastructure we rely upon, including the third-party applications and third-party services we use, could result in: (i) material financial loss or costs, (ii) delays in clients' ability to access account information or in our ability to process transactions, (iii) the unauthorized disclosure or modification of sensitive or confidential client and business information, (iv) loss of valuable information, (v) breach of client and vendor contracts, (vi) liability for stolen assets, information or identity, (vii) remediation costs to repair damage caused by the failure or breach, (viii) additional security and organizational costs to mitigate against future incidents, (ix) reputational harm, (x) loss of confidence in our business and products, (xi) liability for failure to review and disclose applicable incidents or provide relevant updated disclosure properly and timely, (xii) regulatory investigations or actions, and/or (xiii) legal claims, litigation, and liability costs, any one or more of which may be material. Moreover, loss or unauthorized disclosure or transfer of confidential and proprietary data or confidential customer identification information could further harm our reputation and subject us to liability under laws that protect confidential data and personal information, resulting in increased costs or a decline in our revenues or common stock price. Further, although we take precautions to password protect and encrypt our laptops and sensitive information on our mobile electronic devices, if such devices are stolen, misplaced or left unattended, they may become vulnerable to hacking or other

unauthorized use, creating a possible security risk, which may require us to incur additional administrative costs and/or take remedial actions. In addition, failure to manage and operate properly the data centers and third-party cloud storage and computing application services we use could have an adverse impact on our business. Although we have in place certain disaster recovery plans, we may experience system delays and interruptions as a result of natural disasters, power failures, acts of war, and third-party failures.

Our inability to recover successfully, should we experience a disaster or other business continuity problem, could cause material financial loss, regulatory actions, legal liability, and/or reputational harm.

Should we experience a local or regional disaster or other business continuity problem, such as an earthquake, hurricane, tsunami, terrorist attack, public health crisis, pandemic or other natural or man-made disaster, our continued success will depend, in part, on the safety and availability of our personnel, our office facilities and infrastructure, and the proper functioning of our technology, computer, telecommunication and other systems and operations that are critical to our business. While our operational size, the diversity of locations from which we operate, and our various back-up systems provide us with an advantage, should we experience a local or regional disaster or other business continuity event, we could still experience operational challenges, in particular depending upon how such a local or regional event may affect our personnel across our operations or with regard to particular aspects of our operations, such as key executives or personnel in our technology groups. Moreover, as we grow our operations in new geographic regions, the potential for particular types of natural or man-made disasters, political, economic or infrastructure instabilities, information, technology or security limitations or breaches, or other country- or region-specific business continuity risks increases. Past disaster recovery efforts have demonstrated that even seemingly localized events may require broader disaster recovery efforts throughout our operations and, consequently, we regularly assess and take steps to improve upon our existing business continuity plans. However, a disaster on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to recover successfully following a disaster or other business continuity problem, could adversely impact our business and operations.

HUMAN CAPITAL RISKS

We depend on key personnel and our financial performance could be negatively affected by the loss of their services.

The success of our business will continue to depend upon our key personnel, including our portfolio managers, investment analysts, sales and management personnel and other professionals as well as our executive officers and business unit heads. Competition for qualified, motivated, and highly-skilled executives, professionals and other key personnel in the investment management industry remains significant. Our success depends to a substantial degree upon our ability to find, attract, retain and motivate qualified individuals, including through competitive compensation packages, and upon the continued contributions of these people. Global and/or local laws and regulations could impose restrictions on compensation paid by financial institutions, which could restrict our ability to compete effectively for qualified professionals. As our business develops, we may need to increase the number of individuals that we employ. Moreover, in order to retain certain key personnel, we may be required to increase compensation to such individuals and increase our key management succession planning, resulting in additional expense without a corresponding increase in potential revenues. There is no assurance that we will be successful in finding, attracting and retaining qualified individuals, and the departure of key investment personnel, in particular, could cause us to lose clients, which could have a material adverse effect on our financial condition, results of operations and business prospects. In addition, due to the global nature of our business, our key personnel may, from time to time, have reasons to travel to regions susceptible to higher risk of civil unrest, organized crime or terrorism, and we may be unable to ensure the safety of our personnel traveling to such regions.

CASH MANAGEMENT RISKS

Our ability to meet cash needs depends upon certain factors, including the market value of our assets, our operating cash flows and our perceived creditworthiness.

If we are unable to obtain cash, financing or access to the capital markets in a timely manner, we may be forced to incur unanticipated costs or revise our business plans, and our business could be adversely impacted. Further, our access to the capital markets depends significantly on our credit ratings. A reduction in our long- or short-term credit ratings could increase our borrowing costs and limit our access to the capital markets. Volatility in the global financing markets also may impact our ability to access the capital markets should we seek to do so, and may have an adverse effect on investors' willingness to purchase our securities, interest rates, credit spreads and/or the valuation levels of equity markets.

We are dependent on the earnings of our subsidiaries.

Substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and our ability to fund operations are dependent upon the earnings of our subsidiaries and the distribution of earnings, loans or other payments by our subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation to fund our payment obligations, whether by dividends, distributions, loans or other payments. Any payments to us by our subsidiaries could be subject to statutory or contractual restrictions and are contingent upon our subsidiaries' earnings and business considerations. Certain of our subsidiaries are subject to regulatory restrictions that may limit their ability to transfer assets to their parent companies. Our financial condition could be adversely affected if certain of our subsidiaries are unable to distribute assets to us.

LEGAL AND REGULATORY RISKS

For a more extensive discussion of certain laws, regulations (including certain pending regulatory reforms) and regulators to which we are subject, as well as certain defined terms referenced below, see "Item 1 – Business – Regulation" in Part I of this Annual Report.

We are subject to extensive, complex, overlapping and frequently changing rules, regulations, policies, and legal interpretations.

There is uncertainty associated with the regulatory and compliance environments in which we operate. Our business is subject to extensive and complex, overlapping and/or conflicting, and frequently changing and increasing rules, regulations, policies and legal interpretations, around the world. Political and electoral changes, developments and conflicts have in the past introduced, and may in the future introduce, additional uncertainty. Our regulatory and compliance obligations impose significant operational and cost burdens on us and cover a broad range of requirements related to financial reporting and other disclosure matters, securities and other financial instruments, investment and advisory matters, accounting, tax, compensation, ethics, intellectual property, privacy and data protection, sanctions programs, and escheatment requirements. We may be adversely affected by a failure to comply with applicable laws, regulations and changes in the countries in which we operate.

We may be adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation of existing laws and regulations, in the U.S. and other jurisdictions.

The laws and regulations applicable to our business generally involve restrictions and requirements in connection with a variety of technical, specialized, and expanding matters and concerns. Over the years, the U.S. federal corporate governance and securities laws, and laws in other jurisdictions, have been augmented substantially and made significantly more complex by various legislation. As we continue to address our legal and regulatory requirements or focus on meeting new or expanded requirements, we may need to continue to expend a substantial amount of additional time, costs and resources. Regulatory reforms may add further complexity to our business and operations and could require us to alter our investment management services and related activities, which could be costly, impede our growth and adversely impact our AUM, revenues and income. Regulatory reforms also may impact our clients, which could cause them to change their investment strategies or allocations in a manner adverse to our business. Certain key regulatory reforms and proposals in the U.S. and other jurisdictions that may impact or relate to our business, and may cause us to incur additional obligations, include regulatory matters related to executive compensation clawback rules, issuer share repurchase plan disclosure, cybersecurity disclosure, sustainable investing and ESG, climate-related disclosure, privacy and data protection, SIFIs, derivatives and other financial products, fund-related reforms, tax compliance, and other asset management disclosure and compliance requirements. The impacts of these and other regulatory reforms on us, now and in the future, could be significant. We expect that the regulatory requirements and developments applicable to us will cause us to continue to incur additional compliance and administrative burdens and costs. Any inability to meet applicable requirements within the required timeframes may subject us to sanctions or other restrictions by governments and/or regulators that could adversely impact our broader business objectives.

Global regulatory and legislative actions and reforms have made compliance in the regulatory environment in which we operate more costly and future actions and reforms could adversely impact our financial condition and results of operations.

As in the U.S., regulatory and legislative actions outside the U.S. have been augmented substantially and made more complex by measures such as the EU's AIFMD and MiFID II. Further, ongoing changes in the EU's regulatory framework applicable to our business, including any new changes in the composition of the EU's member states, may add further

complexity to our global risks and operations. Moreover, the adoption of new laws, regulations or standards and changes in the interpretation or enforcement of existing laws, regulations or standards have directly affected, and will continue to affect, our business. With new laws and changes in interpretation of existing requirements, the associated time we must dedicate to and related costs we must incur in meeting the regulatory complexities of our business have increased. We may be required to continue to invest significant additional management time and resources to address new and changing regulations and laws. Outlays associated with meeting regulatory complexities have also increased as we expand our business into new jurisdictions.

The EU's GDPR strengthened and unified data protection rules for individuals within the EU and addresses export of personal data outside the EU. The failure to comply properly with GDPR rules on a timely basis and to maintain ongoing compliance with such rules may subject us to enforcement proceedings and significant fines and costs. For example, a failure to comply with GDPR could result in fines up to 4% of our annual global revenues.

Compliance activities to address these and other new legal requirements have required, and will continue to require, us to expend additional time and resources, and, consequently, we are incurring increased costs of doing business, which potentially negatively impacts our profitability and future financial results. Finally, any further regulatory and legislative actions and reforms affecting the investment management industry, including compliance initiatives, may negatively impact revenues by increasing our costs of accessing or operating in financial markets or by making certain investment offerings less favorable to our clients.

Failure to comply with the laws, rules or regulations in any of the jurisdictions in which we operate could result in substantial harm to our reputation and results of operations.

As with all investment management companies, our activities are highly regulated in almost all countries in which we conduct business. Failure to comply with the applicable laws, rules, regulations, codes, directives, notices or guidelines in any of our jurisdictions could result in regulatory enforcement, civil liability, criminal liability and/or the imposition of a range of sanctions or orders against us, including, as applicable, monetary damages, injunctions, disgorgements, fines, penalties, cease and desist orders, censures, reprimands, and the revocation, cancellation, suspension or restriction of licenses, registration status or approvals held by us or our business in a jurisdiction or market, any of which could adversely affect our reputation and operations. Moreover, any potential accounting or reporting errors, whether financial or otherwise, if material, could damage our reputation and adversely affect our business. While management has focused attention and resources on our compliance policies, procedures and practices, the regulatory environments of the jurisdictions where we conduct our business, or where our products are organized or sold, are complex, uncertain and subject to change. Local regulatory environments may vary widely and place additional demands on our sales, investment, legal and compliance personnel. In recent years, the regulatory environments in which we operate have seen significant increased and evolving regulations, which have imposed and may continue to impose additional compliance and operational requirements and costs on us in the applicable jurisdictions. Regulators could also change their policies or laws in a manner that might restrict or otherwise impede our ability to offer our services and products in their respective markets, or we may be unable to keep up with, or adapt to, the ever changing, complex regulatory requirements in such jurisdictions or markets, which could further negatively impact our business.

Changes in tax laws or exposure to additional income tax liabilities could have a material impact on our financial condition, revenues and income.

We are subject to complex tax regimes, changing tax laws, income taxes, non-income-based taxes, and ongoing tax audits, in the various jurisdictions in which we operate. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits and the actual outcomes could have a material impact on our financial condition. Changes in tax laws or rulings, including corporate tax rate increases, capital gains rate increases for fund investors and other tax rate increases impacting our clients and their willingness to invest in our products, may at times materially impact our revenues and income.

Regulatory and governmental examinations and/or investigations, litigation and the legal risks associated with our business, could adversely impact our AUM, increase costs and negatively impact our profitability and/or our future financial results.

We operate in a highly regulated industry and routinely receive and respond to regulatory and governmental requests for documents or other information, subpoenas, examinations and, in some instances, investigations in connection with our business activities. Further, regulatory or governmental examinations or investigations that have been inactive could become active. In addition, we are named as a party in litigation in the ordinary course of business. Even if claims made against us are without merit, they can result in reputational harm and responding to such matters typically is an expensive process. Risks associated with legal liability often are difficult to assess or quantify and their existence and magnitude can remain unknown for significant periods of time. Regulatory enforcement and civil litigation matters can result in the imposition of a range of sanctions or orders against us, including, as applicable, monetary damages, injunctions, disgorgements, fines, penalties, cease and desist orders, censures, reprimands, and the revocation, cancellations, suspension or restriction of licenses, registration status or approvals held by us or our business. In addition, we may be obligated, and under our certificate of incorporation, bylaws and form of director indemnification agreement are obligated under certain conditions, or may choose, to indemnify directors, officers or personnel against liabilities and expenses they may incur in connection with such matters to the extent permitted under applicable law. Eventual financial exposures from and expenses incurred relating to any examinations, investigations, enforcement actions, litigation, and/or settlements could adversely impact our AUM, increase costs, and negatively impact our reputation, profitability, and revenue any of which could have a material negative impact on our financial results. For a discussion of certain legal proceedings and regulatory matters in which we are involved, see the “Legal Proceedings” section in Note 15 - Commitments and Contingencies in the notes to consolidated financial statements in Item 8 of Part II of this Annual Report.

Our contractual obligations may subject us to indemnification costs and liability to third parties.

In the ordinary course of business, we enter into contracts with third parties, including, without limitation, clients, vendors, and other service providers, that contain a variety of representations and warranties and that provide for indemnifications by us in certain circumstances. Pursuant to such contractual arrangements, we may be subject to indemnification costs and liability to third parties if, for example, we breach any material obligations under the agreements or agreed standards of care, or in the event such third parties have certain legal claims asserted against them. The terms of these indemnities vary from contract to contract, and future indemnification claims against us could negatively impact our financial condition.

Failure to protect our intellectual property may negatively impact our business.

Although we take steps to safeguard and protect our intellectual property, including but not limited to our trademarks, patents, copyrights and trade secrets, there can be no assurance that we will be able to effectively protect our rights. If our intellectual property rights were violated, we could be subject to economic and reputational harm that could negatively impact our business and competitiveness in the marketplace. Conversely, while we take efforts to avoid infringement of the intellectual property of third parties, if we are deemed to infringe on a third party’s intellectual property rights it could expose us to litigation risks, license fees, liability and reputational harm.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We conduct our worldwide operations using a combination of owned and leased facilities. While we believe our facilities are suitable and adequate to conduct our business at present, we will continue to acquire, lease and dispose of facilities throughout the world as necessary.

We own our San Mateo, California corporate headquarters and various other office buildings in the U.S. and internationally. We lease excess owned space to third parties under leases with terms through 2033. Our owned properties consist of the following:

Location	Owned Square Footage	Owned Square Footage Leased to Third Parties
San Mateo, California	743,793	477,757
St. Petersburg, Florida	560,948	385,217
Rancho Cordova, California	445,023	47,676
Hyderabad, India	379,052	23,088
Poznan, Poland	284,436	50,549
Ft. Lauderdale, Florida	102,246	20,264
Edinburgh, Scotland	87,016	26,210
Other	95,883	9,724
Total	**2,698,397**	**1,040,485**

We lease office space in 16 states in the U.S. and Washington, D.C., and internationally, including Australia, Brazil, Canada, the People's Republic of China (including Hong Kong), Germany, India, Japan, Luxembourg, Mexico, Singapore, South Korea, United Arab Emirates and the U.K. As of September 30, 2023, we leased and occupied approximately 1,931,000 square feet of office space worldwide, and subleased to third parties approximately 399,000 square feet of excess leased space.

Item 3. Legal Proceedings.

Incorporated herein by reference is information regarding certain legal proceedings and regulatory matters in which we are involved as set forth under "Legal Proceedings" contained in Note 15 – Commitments and Contingencies in the notes to consolidated financial statements in Item 8 of Part II of this Annual Report.

Item 4. Mine Safety Disclosures.

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following description of our executive officers is included as an unnumbered item in this Part I of this Annual Report in lieu of being included in our definitive proxy statement for our annual meeting of stockholders. Set forth below are the name, age, present title, and certain other information for each of our executive officers as of the filing date of this Annual Report. Generally, each executive officer is appointed by our board of directors and holds his or her office until the earlier of his or her death, resignation, retirement, disqualification or removal.

Jennifer M. Johnson
Age 59

President of Franklin since December 2016, and Chief Executive Officer and director of Franklin since February 2020; formerly, Chief Operating Officer of Franklin from February 2017 to February 2020, Co-President of Franklin from October 2015 to December 2016, Executive Vice President and Chief Operating Officer of Franklin from March 2010 to September 2015, Executive Vice President – Operations and Technology of Franklin from December 2005 to March 2010, and Senior Vice President and Chief Information Officer of Franklin from May 2003 to December 2005; officer and/or director of certain subsidiaries of Franklin; officer, director and/or trustee of certain funds registered as investment companies managed or advised by subsidiaries of Franklin. Director of Thermo Fisher Scientific Inc. since July 2023.

Gregory E. Johnson
Age 62

Executive Chairman of Franklin since February 2020, Chairman of the Board of Franklin since June 2013 and director of Franklin since January 2007; Chairman of the San Francisco Giants, a professional baseball organization, since November 2019; formerly, Chief Executive Officer of Franklin from July 2005 to February 2020, Co-Chief Executive Officer of Franklin from January 2004 to July 2005, and President of Franklin from December 1999 to September 2015; officer and/or director of certain subsidiaries of Franklin; officer, director and/or trustee of certain funds registered as investment companies managed or advised by subsidiaries of Franklin.

Rupert H. Johnson, Jr.
Age 83

Vice Chairman of Franklin since December 1999 and director of Franklin since 1971; officer and/or director of certain subsidiaries of Franklin; officer, director and/or trustee of certain funds registered as investment companies managed or advised by subsidiaries of Franklin.

Thomas C. Merchant
Age 55

Executive Vice President and General Counsel of Franklin since May 2022 and Corporate Secretary since July 2021, and oversaw global regulatory compliance of Franklin as Deputy General Counsel from August 2020 to May 2022; officer and/or director of certain subsidiaries of Franklin. Formerly, General Counsel and Executive Vice President of Legg Mason, Inc. from 2013 and Secretary from 2008, until its acquisition by Franklin Templeton in July 2020; joined Legg Mason as Associate General Counsel in 1998, serving as Corporate General Counsel and Deputy General Counsel. Formerly, served as a Corporate Associate at Shearman & Sterling, a law firm, in New York from 1993 to 1998.

Terrence J. Murphy
Age 56

Executive Vice President and Head of Public Markets of Franklin since February 2023 and executive officer of Franklin since October 2022; Chairman since 2014 and Chief Executive Officer and President since 2012 of ClearBridge Investments, LLC, a subsidiary of Franklin; officer and/or director of certain other subsidiaries of Franklin. Formerly, Chief Operating Officer and Chief Financial Officer of ClearBridge from 2006 to 2011, Chief Financial Officer of Citigroup Asset Management (a financial services firm) from 2005 to 2006 and Director of Planning from 2000 to 2005; and business Controller for various product lines at Citigroup's Corporate and Investment Bank from 1997 to 2000.

Matthew Nicholls
Age 51

Executive Vice President and Chief Financial Officer of Franklin since May 2019 and Chief Operating Officer since April 2022; officer and/or director of certain subsidiaries of Franklin. Formerly, with Citigroup, Inc. (a financial services firm) from 1995 to May 2019, as Managing Director, Global Head of Financial Institutions, Corporate Banking, and Global Head of Asset Management, Corporate and Investment Banking, from 2017 to May 2019, as Managing Director, Co-Head, Financial Institutions Corporate and Investment Banking, North America, and Global Head of Asset Management, Corporate and Investment Banking, from 2014 to 2017, as Managing Director, Co-Head, North America, Financial Institutions Corporate and Investment Banking from 2011 to 2014, as Managing Director and Co-Head, North America, Financial Institutions Corporate Banking from 2007 to 2011, and as Managing Director and Co-Head of Asset Management Banking from 2006 to 2007.

Alok Sethi
Age 62

Executive Vice President and Head of Global Operations of Franklin since February 2023; formerly, Executive Vice President, Technology and Operations, of Franklin from October 2021 to February 2023; officer and/or director of various investment adviser, operations, and technology related subsidiaries of Franklin for more than the past five years, including as Senior Vice President of Franklin Advisers, Inc., Franklin Templeton Institutional, LLC and Templeton Investment Counsel, LLC since July 2014, and Vice President of Franklin Templeton Companies, LLC since June 2010.

Gwen L. Shaneyfelt
Age 61

Chief Accounting Officer of Franklin since April 2019; officer and/or director of certain subsidiaries of Franklin, including as Vice President and Chief Financial Officer of Legg Mason, Inc., Director of ClearBridge Investments, LLC and Manager of Royce & Associates GP, LLC since August 2020; as well as Director of Franklin Templeton Fund Management Limited since May 2019, Manager of Franklin Templeton International Services S.à r.l. since November 2013, and Senior Vice President of Franklin Templeton Companies, LLC since March 2011.

Adam B. Spector
Age 55

Executive Vice President and Head of Global Distribution of Franklin since February 2023, responsible for global retail and institutional distribution, including marketing and product strategy, and Managing Partner of Brandywine Global Investment Management, LLC since November 2014, responsible for the overall management of Brandywine including infrastructure, legal and compliance, business strategy, and sales and client service; formerly, Executive Vice President of Global Advisory Services of Franklin from October 2020 to February 2023; Managing Director of Brandywine from 2012 to 2014, Head of Marketing, Sales and Client Service of Brandywine from 2003 to 2014, and Senior Vice President of Client Service of Brandywine from 1997 to 2003; officer and/or director of certain other subsidiaries of Franklin.

Family Relationships

Jennifer M. Johnson and Gregory E. Johnson are siblings, and their uncle is Rupert H. Johnson, Jr. Each serves as both a director and an executive officer of Franklin.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is traded on the NYSE under the ticker symbol "BEN." At October 31, 2023, there were 2,476 stockholders of record of our common stock.

The following table provides information with respect to the shares of our common stock that we repurchased during the three months ended September 30, 2023.

Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
July 2023	1,430,208	$ 28.59	1,430,208	20,339,212
August 2023	3,437,199	26.66	3,437,199	16,902,013
September 2023	2,156,560	25.54	2,156,560	14,745,453
Total	**7,023,967**		**7,023,967**	

Under our stock repurchase program, which is not subject to an expiration date, we can repurchase shares of our common stock from time to time in the open market and in private transactions in accordance with applicable laws and regulations, including without limitation applicable federal securities laws. In order to pay taxes due in connection with the vesting of employee and executive officer stock and stock unit awards, we may repurchase shares under our program using a net stock issuance method. In April 2018, we announced that our Board of Directors authorized the repurchase of up to 80.0 million additional shares of our common stock under the stock repurchase program.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD-LOOKING STATEMENTS

The following discussion and analysis of the results of operations and financial condition of Franklin Resources, Inc. ("Franklin") and its subsidiaries (collectively, the "Company") should be read in conjunction with the "Forward-looking Statements" disclosure set forth in Part I and the "Risk Factors" set forth in Item 1A of Part I of this Annual Report on Form 10-K (this "Annual Report") and in any more recent filings with the U.S. Securities and Exchange Commission (the "SEC"), each of which describe our risks, uncertainties and other important factors in more detail.

OVERVIEW

Franklin is a holding company with subsidiaries operating under our Franklin Templeton® and/or subsidiary brand names. We are a global investment management organization that derives operating revenues and net income from providing investment management and related services to investors in jurisdictions worldwide. We deliver our investment capabilities through a variety of investment products, which include our sponsored funds, as well as institutional and high-net-worth separate accounts, retail separately managed account programs, sub-advised products and other investment vehicles. Related services include fund administration, sales and distribution, and shareholder servicing. We may perform services directly or through third parties. We offer our services and products under our various distinct brand names, including, but not limited to, Alcentra®, Benefit Street Partners®, Brandywine Global Investment Management®, Clarion Partners®, ClearBridge Investments®, Fiduciary Trust International™, Franklin®, Franklin Bissett®, Franklin Mutual Series®, K2®, Legg Mason®, Lexington Partners®, Martin Currie®, O'Shaughnessy® Asset Management, Royce® Investment Partners, Templeton® and Western Asset Management Company®. We offer a broad product mix of fixed income, equity, alternative, multi-asset and cash management asset classes and solutions that meet a wide variety of specific investment goals and needs for individual and institutional investors. We also provide sub-advisory services to certain investment products sponsored by other companies which may be sold to investors under the brand names of those other companies or on a co-branded basis.

The level of our revenues depends largely on the level and relative mix of assets under management ("AUM"). As noted in the "Risk Factors" section set forth above in Item 1A of Part I of this Annual Report, the amount and mix of our AUM are subject to significant fluctuations that can negatively impact our revenues and income. The level of our revenues also depends on the fees charged for our services, which are based on contracts with our funds and customers, fund sales, and the number of shareholder transactions and accounts. These arrangements could change in the future.

During the fiscal year ended September 30, 2023 ("fiscal year 2023"), global equity markets provided positive returns driven by moderating inflation, easing of monetary policy and resilient economic activity amid continued concerns about the risk of recession. The S&P 500 Index and MSCI World Index increased 21.6% and 22.6% for the fiscal year. The global bond markets remained positive as the Bloomberg Barclays Global Aggregate Index increased 2.2% for the fiscal year, reflecting moderating inflation and easing of monetary policy.

Our total AUM was $1,374.2 billion at September 30, 2023, which was 6% higher than at September 30, 2022 driven by the positive impact of $58.9 billion of net market change, distributions and other, $34.9 billion from an acquisition, and $4.3 billion of cash management net inflows, partially offset by $21.3 billion of long-term net outflows. Simple monthly average AUM ("average AUM") decreased 5% during fiscal year 2023.

On November 1, 2022, we acquired BNY Alcentra Group Holdings, Inc. (together with its subsidiaries, "Alcentra"), one of the largest European credit and private debt managers, with global expertise in senior secured loans, high yield bonds, private credit, structured credit, special situations and multi-strategy credit strategies. Total purchase price included cash consideration of $594.1 million, which includes $188.3 million for certain securities held in Alcentra's collateralized loan obligations; deferred consideration of $62.0 million which was paid on November 1, 2023; and contingent consideration to be paid upon the achievement of certain performance thresholds over the next four years of up to $350.0 million that had an acquisition-date fair value of $24.6 million.

The business and regulatory environments in which we operate globally remain complex, uncertain and subject to change. We are subject to various laws, rules and regulations globally that impose restrictions, limitations, registration, reporting and disclosure requirements on our business, and add complexity to our global compliance operations.

Uncertainties regarding the global economy remain for the foreseeable future. As we continue to confront the challenges of the current economic and regulatory environments, we remain focused on the investment performance of our products and on providing high quality service to our clients. We continuously perform reviews of our business model. While we remain focused on expense management, we will also seek to attract, retain and develop personnel and invest strategically in systems and technology that will provide a secure and stable environment. We will continue to seek to protect and further our brand recognition while developing and maintaining broker-dealer and client relationships. The success of these and other strategies may be influenced by the factors discussed in the "Risk Factors" section.

RESULTS OF OPERATIONS

(in millions, except per share data)

for the fiscal years ended September 30,	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Operating revenues	$ 7,849.4	$ 8,275.3	$ 8,425.5	(5 %)	(2 %)
Operating income	1,102.3	1,773.9	1,875.0	(38 %)	(5 %)
Operating margin[1]	14.0 %	21.4 %	22.3 %		
Net income attributable to Franklin Resources, Inc.	$ 882.8	$ 1,291.9	$ 1,831.2	(32 %)	(29 %)
Diluted earnings per share	$ 1.72	$ 2.53	$ 3.57	(32 %)	(29 %)
As adjusted (non-GAAP):[2]					
Adjusted operating income	$ 1,823.8	$ 2,323.5	$ 2,379.3	(22 %)	(2 %)
Adjusted operating margin	29.9 %	35.9 %	37.7 %		
Adjusted net income	$ 1,332.2	$ 1,855.6	$ 1,915.2	(28 %)	(3 %)
Adjusted diluted earnings per share	$ 2.60	$ 3.63	$ 3.74	(28 %)	(3 %)

1 Defined as operating income divided by total operating revenues.

2 "Adjusted operating income," "adjusted operating margin," "adjusted net income" and "adjusted diluted earnings per share" are based on methodologies other than generally accepted accounting principles. See "Supplemental Non-GAAP Financial Measures" for definitions and reconciliations of these measures.

ASSETS UNDER MANAGEMENT

AUM by asset class was as follows:

(in billions)

as of September 30,	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Fixed Income	$ 483.1	$ 490.9	$ 650.3	(2 %)	(25 %)
Equity	430.4	392.3	523.6	10 %	(25 %)
Alternative	254.9	225.1	145.2	13 %	55 %
Multi-Asset	145.0	131.5	152.4	10 %	(14 %)
Cash Management	60.8	57.6	58.6	6 %	(2 %)
Total	**$ 1,374.2**	**$ 1,297.4**	**$ 1,530.1**	**6 %**	**(15 %)**

Changes in average AUM are generally more indicative of trends in revenue for providing investment management services than the year-over-year change in ending AUM. Average AUM and the mix of average AUM by asset class are shown below.

(in billions)

	Average AUM				
for the fiscal years ended September 30,	**2023**	**2022**	**2021**	**2023 vs. 2022**	**2022 vs. 2021**
Fixed Income	$ 499.7	$ 586.5	$ 657.5	(15 %)	(11 %)
Equity	436.1	491.3	502.9	(11 %)	(2 %)
Alternative	251.9	185.1	132.6	36 %	40 %
Multi-Asset	144.4	146.1	146.4	(1 %)	0 %
Cash Management	68.3	60.2	64.7	13 %	(7 %)
Total	**$ 1,400.4**	**$ 1,469.2**	**$ 1,504.1**	**(5 %)**	**(2 %)**

	Mix of Average AUM		
for the fiscal years ended September 30,	**2023**	**2022**	**2021**
Fixed Income	36 %	40 %	44 %
Equity	31 %	33 %	33 %
Alternative	18 %	13 %	9 %
Multi-Asset	10 %	10 %	10 %
Cash Management	5 %	4 %	4 %
Total	**100 %**	**100 %**	**100 %**

Components of the change in AUM are shown below. Net market change, distributions and other includes appreciation (depreciation), distributions to investors that represent return on investments and return of capital, and foreign exchange revaluation.

(in billions)

for the fiscal years ended September 30,	**2023**	**2022**	**2021**	**2023 vs. 2022**	**2022 vs. 2021**
Beginning AUM	$ 1,297.4	$ 1,530.1	$ 1,418.9	(15 %)	8 %
Long-term inflows	254.9	320.4	364.7	(20 %)	(12 %)
Long-term outflows	(276.2)	(348.2)	(389.9)	(21 %)	(11 %)
Long-term net flows	(21.3)	(27.8)	(25.2)	(23 %)	10 %
Cash management net flows	4.3	(0.8)	(15.1)	NM	(95%)
Total net flows	(17.0)	(28.6)	(40.3)	(41 %)	(29 %)
Acquisitions	34.9	64.9	3.5	(46 %)	NM
Net market change, distributions and other	58.9	(269.0)	148.0	NM	NM
Ending AUM	**$ 1,374.2**	**$ 1,297.4**	**$ 1,530.1**	**6 %**	**(15 %)**

Components of the change in AUM by asset class were as follows:

(in billions)

for the fiscal year ended September 30, 2023	Fixed Income	Equity	Alternative	Multi-Asset	Cash Management	Total
AUM at October 1, 2022	$ 490.9	$ 392.3	$ 225.1	$ 131.5	$ 57.6	$ 1,297.4
Long-term inflows	112.7	84.4	22.6	35.2	—	254.9
Long-term outflows	(128.9)	(103.1)	(16.8)	(27.4)	—	(276.2)
Long-term net flows	(16.2)	(18.7)	5.8	7.8	—	(21.3)
Cash management net flows	—	—	—	—	4.3	4.3
Total net flows	(16.2)	(18.7)	5.8	7.8	4.3	(17.0)
Acquisitions	—	—	34.9	—	—	34.9
Net market change, distributions and other	8.4	56.8	(10.9)	5.7	(1.1)	58.9
AUM at September 30, 2023	**$ 483.1**	**$ 430.4**	**$ 254.9**	**$ 145.0**	**$ 60.8**	**$ 1,374.2**

AUM increased $76.8 billion or 6% during fiscal year 2023 due to the positive impact of $58.9 billion of net market change, distributions and other, $34.9 billion from an acquisition, and $4.3 billion of cash management net inflows, partially offset by $21.3 billion of long-term net outflows. Net market change, distributions and other primarily consists of $94.4 billion of market appreciation, and a $4.6 billion increase from foreign exchange revaluation, partially offset by $40.1 billion of long-term distributions. The market appreciation occurred in all asset classes with the exception of the alternative asset class, most significantly in the equity asset class and reflected positive returns in the global equity markets. Foreign exchange revaluation from AUM in products that are not U.S. dollar denominated was primarily due to a weaker U.S. dollar compared to the Euro, British Pound and Brazilian Real.

Long-term inflows decreased 20% to $254.9 billion, as compared to the prior year, driven by lower inflows in equity and fixed income open-end funds, fixed income institutional separate accounts, and equity retail separately managed accounts. Long-term inflows for fiscal years 2023 and 2022 include reinvested distributions of $20.6 billion and $32.0 billion. Long-term outflows decreased 21% to $276.2 billion due to lower outflows in fixed income and equity open-end funds, fixed income institutional separate accounts, multi-asset sub-advised mutual funds, and equity retail separately managed accounts.

(in billions)

for the fiscal year ended September 30, 2022	Fixed Income	Equity	Alternative	Multi-Asset	Cash Management	Total
AUM at October 1, 2021	$ 650.3	$ 523.6	$ 145.2	$ 152.4	$ 58.6	$ 1,530.1
Long-term inflows	138.4	123.0	22.4	36.6	—	320.4
Long-term outflows	(168.6)	(131.6)	(16.1)	(31.9)	—	(348.2)
Long-term net flows	(30.2)	(8.6)	6.3	4.7	—	(27.8)
Cash management net flows	—	—	—	—	(0.8)	(0.8)
Total net flows	(30.2)	(8.6)	6.3	4.7	(0.8)	(28.6)
Acquisitions	—	4.6	58.0	2.3	—	64.9
Net market change, distributions and other	(129.2)	(127.3)	15.6	(27.9)	(0.2)	(269.0)
AUM at September 30, 2022	**$ 490.9**	**$ 392.3**	**$ 225.1**	**$ 131.5**	**$ 57.6**	**$ 1,297.4**

AUM decreased $232.7 billion or 15% during fiscal year 2022 due to the negative impact of $269.0 billion of net market change, distributions and other, $27.8 billion of long-term net outflows and $0.8 billion of cash management net outflows, partially offset by acquisitions of $64.9 billion. Net market change, distributions and other primarily consists of $199.2 billion of market depreciation, $48.7 billion of long-term distributions and a $21.1 billion decrease from foreign exchange revaluation. The market depreciation occurred in all asset classes with the exception of the alternative asset class. Foreign exchange revaluation from AUM in products that are not U.S. dollar denominated was primarily due to a stronger U.S. dollar compared to the Japanese Yen, Euro, British Pound and Australian dollar.

Long-term inflows decreased 12% to $320.4 billion, as compared to the prior year, driven by lower inflows in fixed income institutional separate accounts, open-end funds, and retail separately managed accounts, as well as equity open-end

funds, partially offset by higher alternative inflows for private funds. Long-term outflows decreased 11% to $348.2 billion due to lower outflows in fixed income institutional separate accounts, equity and multi-asset open-end funds, and equity sub-advised mutual funds, partially offset by higher equity outflows in retail separately managed accounts and multi-asset sub-advised mutual funds.

(in billions)

for the fiscal year ended September 30, 2021	Fixed Income	Equity	Alternative	Multi-Asset	Cash Management	Total
AUM at October 1, 2020	$ 656.9	$ 438.1	$ 122.1	$ 129.4	$ 72.4	$ 1,418.9
Long-term inflows	176.5	132.1	19.8	36.3	—	364.7
Long-term outflows	(188.2)	(154.2)	(11.8)	(35.7)	—	(389.9)
Long-term net flows	(11.7)	(22.1)	8.0	0.6	—	(25.2)
Cash management net flows	—	—	—	—	(15.1)	(15.1)
Total net flows	(11.7)	(22.1)	8.0	0.6	(15.1)	(40.3)
Acquisition	3.5	—	—	—	—	3.5
Net market change, distributions and other	1.6	107.6	15.1	22.4	1.3	148.0
AUM at September 30, 2021	**$ 650.3**	**$ 523.6**	**$ 145.2**	**$ 152.4**	**$ 58.6**	**$ 1,530.1**

AUM by sales region was as follows:

(in billions)

as of September 30,	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
United States	$ 979.9	$ 971.3	$ 1,140.2	1 %	(15 %)
International					
Europe, Middle East and Africa	156.0	126.6	153.9	23 %	(18 %)
Asia-Pacific	126.7	118.4	155.6	7 %	(24 %)
Americas, excl. U.S.	111.6	81.1	80.4	38 %	1 %
Total international	$ 394.3	$ 326.1	$ 389.9	21 %	(16 %)
Total	**$ 1,374.2**	**$ 1,297.4**	**$ 1,530.1**	**6 %**	**(15 %)**

The region in which investment products are sold may differ from the geographic area in which we provide investment management and related services to the products.

Investment Performance Overview

A key driver of our overall success is the long-term investment performance of our investment products. A measure of the performance of these products is the percentage of AUM exceeding peer group medians and benchmarks. We compare the relative performance of our mutual funds against peers, and of our strategy composites against benchmarks.

The performance of our mutual fund products against peer group medians and of our strategy composites against benchmarks is presented in the table below.

	Peer Group Comparison[1] % of Mutual Fund AUM in Top Two Peer Group Quartiles				Benchmark Comparison[2] % of Strategy Composite AUM Exceeding Benchmark			
as of September 30, 2023	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**1-Year**	**3-Year**	**5-Year**	**10-Year**
Fixed Income	46 %	39 %	37 %	67 %	80 %	47 %	46 %	90 %
Equity	61 %	39 %	51 %	56 %	45 %	38 %	38 %	31 %
Total AUM[3]	48 %	49 %	54 %	52 %	61 %	48 %	47 %	61 %

1 Mutual fund performance is sourced from Morningstar and measures the percent of ranked AUM in the top two quartiles versus peers. Total mutual fund AUM measured for the 1-, 3-, 5- and 10-year periods represents 35%, 35%, 35% and 33% of our total AUM as of September 30, 2023.

2 Strategy composite performance measures the percent of composite AUM beating its benchmark. The benchmark comparisons are based on each account's/composite's (strategy composites may include retail separately managed accounts and mutual fund assets managed as part of the same strategy) return as compared to a market index that has been selected to be generally consistent with the asset class of the account/composite. Total strategy composite AUM measured for the 1-, 3-, 5- and 10-year periods represents 50%, 50%, 49% and 46% of our total AUM as of September 30, 2023.

3 Total mutual fund AUM includes performance of our alternative and multi-asset funds, and total strategy composite AUM includes performance of our alternative composites. Alternative and multi-asset AUM represent 19% and 11% of our total AUM at September 30, 2023.

Mutual fund performance data includes U.S. and cross-border domiciled mutual funds and exchange-traded funds, excludes cash management and fund of funds, and assumes the reinvestment of dividends.

Past performance is not indicative of future results. For strategy composite AUM included in institutional and retail separately managed accounts and investment funds managed in the same strategy as separate accounts, performance comparisons are based on gross-of-fee performance. For investment funds which are not managed in a separate account format, performance comparisons are based on net-of-fee performance. These performance comparisons do not reflect the actual performance of any specific separate account or investment fund; individual separate account and investment fund performance may differ. The information in this presentation is provided solely for use in connection with this document, and is not directed toward existing or potential clients of Franklin.

OPERATING REVENUES

The table below presents the percentage change in each operating revenue category.

(in millions)

for the fiscal years ended September 30,	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Investment management fees	$ 6,452.9	$ 6,616.8	$ 6,541.6	(2 %)	1 %
Sales and distribution fees	1,203.7	1,415.0	1,635.5	(15 %)	(13 %)
Shareholder servicing fees	152.7	193.0	211.2	(21 %)	(9 %)
Other	40.1	50.5	37.2	(21 %)	36 %
Total Operating Revenues	**$ 7,849.4**	**$ 8,275.3**	**$ 8,425.5**	**(5 %)**	**(2 %)**

Investment Management Fees

Investment management fees are generally calculated under contractual arrangements with our investment products and the products for which we provide sub-advisory services as a percentage of AUM. Annual fee rates vary by asset class and type of services provided. Fee rates for products sold outside of the U.S. are generally higher than for U.S. products.

Investment management fees decreased $163.9 million in fiscal year 2023 primarily due to a 5% decrease in average AUM, partially offset by higher performance fees. The decrease in average AUM occurred primarily in the fixed income and equity asset classes, partially offset by an increase in the alternative asset class that includes the acquisitions of Lexington Partners L.P. (“Lexington”) on April 1, 2022 and Alcentra on November 1, 2022.

Investment management fees increased $75.2 million in fiscal year 2022 primarily due to higher performance fees, partially offset by a 2% decrease in average AUM. The decrease in average AUM occurred primarily in the fixed income and equity asset classes, partially offset by an increase in the alternative asset class that includes the acquisition of Lexington.

Our effective investment management fee rate excluding performance fees (investment management fees excluding performance fees divided by average AUM) was 42.1, 41.6 and 41.8 basis points for fiscal years 2023, 2022 and 2021. The rate increase in fiscal year 2023 was primarily due to a shift in AUM from lower-fee fixed income products to higher-fee alternative products, including those from the acquisitions of Lexington and Alcentra, and an increase in certain transaction-related fees received in the current year. The rate decrease in fiscal year 2022 was primarily due to a shift in assets from higher-fee products to lower-fee products in the fixed income and equity asset classes.

Performance-based investment management fees were $550.1 million, $498.2 million and $258.6 million for fiscal years 2023, 2022 and 2021. The increase in fiscal year 2023 was primarily due to a $166.0 million increase in performance fees earned by Lexington, which were passed through as compensation expense per the terms of the acquisition agreement, partially offset by lower performance fees earned by our other alternative specialist investment managers, while the increase in fiscal year 2022 was primarily due to strong performance by our alternative specialist investment managers.

Our product offerings and global operations are diverse. As such, the impact of future changes in AUM on investment management fees will be affected by the relative mix of asset class, geographic region, distribution channel and investment vehicle of the assets.

Sales and Distribution Fees

Sales and distribution fees primarily consist of upfront sales commissions and ongoing distribution fees. Sales commissions are earned from the sale of certain classes of sponsored funds at the time of purchase (“commissionable sales”) and may be reduced or eliminated depending on the amount invested and the type of investor. Therefore, sales fees generally will change with the overall level of gross sales, the size of individual transactions, and the relative mix of sales between different share classes and types of investors.

Our sponsored mutual funds generally pay us distribution fees in return for sales, marketing and distribution efforts on their behalf. The majority of our U.S. mutual funds, with the exception of certain money market funds and certain other funds specifically designed for purchase through separately managed account programs, have adopted distribution plans under Rule 12b-1 (the “Rule 12b-1 Plans”) promulgated under the Investment Company Act of 1940. The Rule 12b-1 Plans

permit the funds to pay us for marketing, marketing support, advertising, printing and sales promotion services relating to the distribution of their shares, subject to the Rule 12b-1 Plans' limitations on amounts based on daily average AUM. We earn distribution fees from our non-U.S. funds based on daily average AUM.

Contingent sales charges are earned from investor redemptions within a contracted period of time. Substantially all of these charges are levied on certain shares sold without a front-end sales charge, and vary with the mix of redemptions of these shares.

We pay substantially all of our sales and distribution fees to the financial advisers, broker-dealers and other intermediaries that sell our funds on our behalf. See the description of sales, distribution and marketing expenses below.

Sales and distribution fees by revenue driver are presented below.

(in millions)

for the fiscal years ended September 30,	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Asset-based fees	$ 998.0	$ 1,150.2	$ 1,302.3	(13 %)	(12 %)
Sales-based fees	205.7	264.8	333.2	(22 %)	(21 %)
Sales and Distribution Fees	**$ 1,203.7**	**$ 1,415.0**	**$ 1,635.5**	**(15 %)**	**(13 %)**

Asset-based distribution fees decreased $152.2 million and $152.1 million in fiscal years 2023 and 2022 primarily due to decreases of 11% and 12% in the related average AUM and, in fiscal year 2023, a higher mix of lower-fee assets.

Sales-based fees decreased $59.1 million and $68.4 million in fiscal years 2023 and 2022 primarily due to a 20% decrease in commissionable sales in both years.

Shareholder Servicing Fees

Substantially all shareholder servicing fees are earned from our sponsored funds for providing transfer agency services, which include providing shareholder statements, transaction processing, customer service and tax reporting. These fees are primarily determined based on a percentage of AUM and either the number of transactions in shareholder accounts or the number of shareholder accounts, while fees from certain funds are based only on AUM. Shareholder servicing fees also include fund reimbursements of expenses incurred while providing transfer agency services. Effective October 1, 2023, fees charged to certain of our U.S. sponsored funds are determined based on a contractual margin.

Shareholder servicing fees decreased $40.3 million in fiscal year 2023, primarily due to a reduction in fee rates charged for transfer agency services in the U.S., partially related to the outsourcing of our transfer agency services, lower levels of related AUM and fewer transactions. Shareholder servicing fees decreased $18.2 million in fiscal year 2022 primarily due lower levels of related AUM and fewer transactions.

Other

Other revenue decreased $10.4 million in fiscal year 2023 and increased $13.3 million in fiscal year 2022 driven by the volume of real estate transaction fees earned by certain of our alternative asset managers in each year.

OPERATING EXPENSES

The table below presents the percentage change in each operating expense category.

(in millions)

for the fiscal years ended September 30,	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Compensation and benefits	$ 3,494.0	$ 3,089.8	$ 2,971.3	13 %	4 %
Sales, distribution and marketing	1,613.1	1,845.6	2,105.8	(13 %)	(12 %)
Information systems and technology	505.0	500.2	486.1	1 %	3 %
Occupancy	228.9	218.9	218.1	5 %	0 %
Amortization of intangible assets	341.1	282.0	232.0	21 %	22 %
General, administrative and other	565.0	564.9	537.2	0 %	5 %
Total Operating Expenses	**$ 6,747.1**	**$ 6,501.4**	**$ 6,550.5**	**4 %**	**(1 %)**

Compensation and Benefits

The components of compensation and benefits expenses are presented below.

(in millions)

for the fiscal years ended September 30,	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Salaries, wages and benefits	$ 1,499.5	$ 1,426.4	$ 1,428.6	5 %	0 %
Incentive compensation	1,532.1	1,500.5	1,303.9	2 %	15 %
Acquisition-related retention	164.9	167.2	163.7	(1 %)	2 %
Acquisition-related performance fee pass through[1]	169.7	4.2	25.3	NM	(83 %)
Other[1, 2]	127.8	(8.5)	49.8	NM	NM
Compensation and Benefits Expenses	**$ 3,494.0**	**$ 3,089.8**	**$ 2,971.3**	**13 %**	**4 %**

[1] See “Supplemental Non-GAAP Financial Measures” for additional information.

[2] Includes impact of gains and losses on investments related to deferred compensation plans, which is offset in investment and other income (losses), net; minority interests in certain subsidiaries, which is offset in net income (loss) attributable to redeemable noncontrolling interests; and special termination benefits.

Salaries, wages and benefits increased $73.1 million in fiscal year 2023 primarily due to the recent acquisitions and annual salary increases, partially offset by the impact of headcount reductions. Salaries, wages and benefits decreased $2.2 million in fiscal year 2022 primarily due to a $16.8 million decrease in termination benefits and the impact of headcount reductions which were substantially offset by increases due to annual salary adjustments and the acquisitions of Lexington and OSAM.

Incentive compensation increased $31.6 million in fiscal year 2023, primarily due to an increase in expense for deferred compensation awards, due, in part, to an increase in annual acceleration for retirement-eligible employees, and recent acquisitions. These increases were partially offset by lower incentive compensation at specialist investment managers and lower bonus expense based on our annual performance. Incentive compensation increased $196.6 million in fiscal year 2022, primarily due to higher performance fees and the acquisition of Lexington.

Acquisition-related retention expenses decreased $2.3 million in fiscal year 2023, primarily due to lower compensation associated with performance-based awards, partially offset by an increase due to the acquisition of Alcentra. Acquisition-related retention expenses increased $3.5 million in fiscal year 2022, primarily due to the acquisition of Lexington.

Acquisition-related performance fee pass through expenses increased $165.5 million in fiscal year 2023, due to higher performance fees earned by Lexington, and decreased $21.1 million in fiscal year 2022, due to lower pass through performance fees at Clarion Partners.

Other compensation and benefits were $127.8 million, $(8.5) million, and $49.8 million for fiscal years 2023, 2022,

and 2021. Fiscal year 2023 included the impact of $20.3 million of market gains on investments related to our deferred compensation plans, while fiscal year 2022 included losses of $36.7 million and fiscal year 2021 included $22.7 million of such gains. Special termination benefits increased $55.0 million in fiscal year 2023 primarily due to workforce optimization initiatives and the acquisition of Alcentra and decreased $18.9 million in fiscal year 2022 primarily due to workforce optimization initiatives related to the acquisition of Legg Mason. Compensation related to minority interests increased $24.3 million in fiscal year 2023 and $20.0 million in fiscal year 2022.

We expect to incur acquisition-related retention expenses of approximately $240 million during the fiscal year ending September 30, 2024 ("fiscal year 2024"), and decreasing over the following two fiscal years by approximately $80 million and $20 million. At September 30, 2023, our global workforce had decreased to approximately 9,200 employees from approximately 9,800 at September 30, 2022.

We continue to place a high emphasis on our pay for performance philosophy. As such, any changes in the underlying performance of our investment products or changes in the composition of our incentive compensation offerings could have an impact on compensation and benefits expenses going forward. However, in order to attract and retain talented individuals, our level of compensation and benefit expenses may increase more quickly or decrease more slowly than our revenue.

Sales, Distribution and Marketing

Sales, distribution and marketing expenses primarily relate to services provided by financial advisers, broker-dealers and other intermediaries to our sponsored funds, including marketing support services. Substantially all distribution expenses are incurred from assets that generate distribution fees and are determined as a percentage of AUM. Substantially all sales expenses are incurred from the same commissionable sales transactions that generate sales fee revenues and are determined as a percentage of sales. Marketing support expenses are based on AUM, sales or a combination thereof. Also included is the amortization of deferred sales commissions related to upfront commissions on shares sold without a front-end sales charge. The deferred sales commissions are amortized over the periods in which commissions are generally recovered from related revenues.

Sales, distribution and marketing expenses by cost driver are presented below.

(in millions)

for the fiscal years ended September 30,	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Asset-based expenses	$ 1,368.1	$ 1,532.6	$ 1,714.7	(11 %)	(11 %)
Sales-based expenses	195.0	248.2	312.9	(21 %)	(21 %)
Amortization of deferred sales commissions	50.0	64.8	78.2	(23 %)	(17 %)
Sales, Distribution and Marketing	**$ 1,613.1**	**$ 1,845.6**	**$ 2,105.8**	**(13 %)**	**(12 %)**

Asset-based expenses decreased $164.5 million and $182.1 million in fiscal years 2023 and 2022 primarily due to decreases of 10% and 11% in the related average AUM and in fiscal year 2023, a higher mix of lower-fee assets.

Sales-based expenses decreased $53.2 million and $64.7 million in fiscal years 2023 and 2022 primarily due to a 20% decrease in commissionable sales in both years.

Information Systems and Technology

Information systems and technology expenses increased $4.8 million in fiscal year 2023 primarily due to higher software costs partially offset by lower technology depreciation. Information systems and technology expenses increased $14.1 million in fiscal year 2022 primarily due to higher costs incurred for technology consulting, software and external data services partially offset by lower technology depreciation.

Occupancy

Occupancy expenses increased $10.0 million in fiscal year 2023 primarily due to higher utility costs, reflecting a full year of return to office, and higher leasehold and equipment depreciation. Occupancy expenses remained relatively flat in fiscal year 2022. We expect to incur additional expense of approximately $50 million in fiscal year 2024 primarily related to new leased office space located at One Madison Avenue. This is part of an initiative to consolidate our existing office space in New York City.

Amortization of intangible assets

Amortization of intangible assets increased $59.1 million and $50.0 million in fiscal years 2023 and 2022, primarily due to intangible assets recognized as part of the acquisition of Lexington and, in fiscal year 2023, the acquisition of Alcentra.

General, Administrative and Other

General, administrative and other expenses primarily consist of professional fees, fund-related service fees payable to external parties, advertising and promotion, travel and entertainment, and other miscellaneous expenses.

General, administrative and other operating expenses remained relatively flat in fiscal year 2023 as an increase of $35.9 million in travel and entertainment expenses and conference costs, reflecting the resumption of activity post-pandemic, and the impact of net credits of $19.2 million recognized in the prior year to adjust the fair values of our contingent consideration asset and liabilities, were substantially offset by a $17.3 million decrease in third-party sub-advisory service fees, a $20.6 million decrease in acquisition-related costs, primarily due to costs associated with our global brand campaign in the prior year, and a $6.8 million decrease in other taxes at certain European subsidiaries.

General, administrative and other operating expenses increased $27.7 million in fiscal year 2022, primarily due to increases of $27.1 million in advertising and promotion expenses, due in part to our global brand campaign, $25.7 million in professional fees, largely related to acquisition costs, and $24.0 million in travel and entertainment expenses. Fiscal year 2022 also included $20.3 million of non-recurring costs incurred in connection with the outsourcing of our transfer agent functions. These increases were partially offset by $43.0 million of closed-end fund product launch costs incurred in the prior year. Fiscal year 2022 also included net credits of $19.2 million to adjust the fair values of our contingent consideration asset and liabilities, as compared to $4.1 million of expense recognized in the prior year.

OTHER INCOME (EXPENSES)

Other income (expenses) consisted of the following:

(in millions)

for the fiscal years ended September 30,	2023	2022	2021	2023 vs. 2022	2022 vs. 2021
Investment and other income, net	$ 340.0	$ 91.1	$ 264.7	273 %	(66 %)
Interest expense	(123.7)	(98.2)	(85.4)	26 %	15 %
Investment and other income (losses) of consolidated investment products, net	115.8	(17.7)	421.1	NM	NM
Expenses of consolidated investment products	(18.7)	(19.7)	(31.2)	(5 %)	(37 %)
Other income (expenses), net	**$ 313.4**	**$ (44.5)**	**$ 569.2**	**NM**	**NM**

Investment and other income, net consists primarily of gains (losses) on investments held by the Company, income (losses) from equity method investees, foreign currency exchange gains (losses), rental income from excess owned space leased to third parties, gains (losses) on derivatives, and dividend and interest income.

Investment and other income, net increased $248.9 million in fiscal year 2023 primarily due to an increase in dividend and interest income, gains on investments held by the Company as compared to losses in the prior year, and higher income from equity method investees, partially offset by net foreign currency exchange losses as compared to gains in the prior year. Investment and other income, net decreased $173.6 million in fiscal year 2022 primarily due to the impact of market declines.

Dividend and interest income increased $122.0 million in fiscal year 2023, primarily due to higher yields, and increased $20.3 million in fiscal year 2022, primarily due to higher yields on money market funds.

Investments held by the Company generated net gains of $39.5 million, as compared to net losses of $75.4 million in the prior year, primarily from investments in nonconsolidated funds and separate accounts and assets invested for deferred compensation plans, partially offset by net losses from investments measured at cost adjusted for observable price changes. Investments held by the Company generated net losses of $75.4 million in fiscal year 2022, as compared to net gains of $90.9 million in fiscal year 2021, primarily from investments in nonconsolidated funds and separate accounts and assets invested for deferred compensation plans. The losses in fiscal year 2022 were partially offset in by net gains from investments measured at cost adjusted for observable price changes.

Income from equity method investees generated income of $123.1 million in fiscal year 2023 and income of $36.2 million in fiscal year 2022. The current year income was largely related to various global alternative funds, and included $86.0 million which was fully offset in noncontrolling interest. Income from equity method investees decreased $118.1 million in fiscal year 2022. Fiscal year 2022 included a $52.6 million gain recognized on the sale of our investment in Embark, offset in part by losses from equity method investees, largely related to declines in market valuations of investments held by various global equity and alternative funds, while fiscal year 2021 included gains from equity method investees.

Net foreign currency exchange losses were $26.7 million in fiscal year 2023, as compared to net gains of $40.6 million fiscal year 2022 and net losses of $11.9 million in fiscal year 2021. The net losses in fiscal year 2023 compared to fiscal year 2022 were primarily due to the impact of the weakening of the U.S. dollar against the Euro and British Pound on cash and cash equivalents denominated in U.S. dollars held by our European subsidiaries. The net gains in fiscal year 2022 compared to fiscal year 2021 were primarily due to the impact of the strengthening of the U.S. dollar against the Euro and British Pound.

Derivatives generated losses of $15.1 million in fiscal year 2023, gains of $20.9 million in fiscal 2022, and losses of $23.2 million in fiscal 2021.

Interest expense increased $25.5 million in fiscal year 2023 primarily due to a full year of accretion on Lexington deferred consideration, higher interest on debt and an increase in interest recognized on tax reserves. Interest expense increased $12.8 million in fiscal year 2022 primarily due to accretion on Lexington deferred consideration.

Investment and other income (loss) of consolidated investment products, net consists of investment gains (losses) on investments held by consolidated investment products (“CIPs”) and dividend and interest income. Expenses of consolidated investment products primarily consists of fund-related expenses, including professional fees and other administrative expenses, and interest expense. Significant portions of the investment and other income of consolidated investment products, net and expenses of consolidated investment products are offset in noncontrolling interests in our consolidated statements of income.

Investments held by CIPs generated investment and other income of $115.8 million in fiscal year 2023, as compared to investment and other losses of $17.7 million in fiscal year 2022 and investment and other income of $421.1 million in fiscal year 2021, largely related to net investment gains (losses) on holdings of various equity, fixed income and alternative funds.

Expenses of consolidated investment products decreased $1.0 million in fiscal year 2023 and decreased $11.5 million in fiscal year 2022, due to activity of the funds.

Our investments in sponsored funds include initial cash investments made in the course of launching mutual fund and other investment product offerings, as well as investments for other business reasons. The market conditions that impact our AUM similarly affect the investment income earned or losses incurred on our investments in sponsored funds.

Our cash, cash equivalents and investments portfolio by asset class and accounting classification at September 30, 2023, excluding third-party assets of CIPs, was as follows:

	Accounting Classification [1]					
(in millions)	Cash and Cash Equivalents	Investments, at Fair Value	Equity Method Investments	Other Investments	Direct Investments in CIPs	Total
Cash and Cash Equivalents	$ 3,686.4	$ —	$ —	$ —	$ —	$ 3,686.4
Investments						
Alternative	—	299.4	820.7	69.7	505.7	1,695.5
Equity	—	314.0	213.1	153.7	103.9	784.7
Fixed Income	—	236.8	44.0	36.6	279.1	596.5
Multi-Asset	—	22.6	11.4	—	145.2	179.2
Total investments	—	872.8	1,089.2	260.0	1,033.9	3,255.9
Total Cash and Cash Equivalents and Investments [2, 3]	**$ 3,686.4**	**$ 872.8**	**$ 1,089.2**	**$ 260.0**	**$ 1,033.9**	**$ 6,942.3**

1 See Note 1 – Significant Accounting Policies and Note 5 – Investments in the notes to consolidated financial statements in Item 8 of Part II of this Annual Report for information on investment accounting classifications.

2 Total cash and cash equivalents and investments includes $4,084.8 million held for operational activities, including investments in sponsored funds and other products, and $324.2 million necessary to comply with regulatory requirements.

3 Total cash and cash equivalents and investments includes $295.8 million attributable to employee-owned and other third-party investments made through partnerships which are offset in nonredeemable noncontrolling interests and approximately $380 million of investments that are subject to long-term repurchase agreements and other financing arrangements.

TAXES ON INCOME

Our effective income tax rate for fiscal year 2023 was 22.1% as compared to 22.9% in fiscal year 2022 and 14.3% in fiscal year 2021. The rate decrease in fiscal year 2023 was primarily due to an increase in foreign earnings and activity of CIPs for which there is no related tax impact, partially offset by additional state tax expense. The rate increase in fiscal year 2022 was primarily due to the release of a tax reserve in the prior year following the close of an IRS audit of the U.S. taxation of deemed foreign dividends for fiscal year 2018, activity of CIPs for which there is no related tax impact, and a decrease in foreign earnings.

Our effective income tax rate reflects the relative contributions of earnings in the jurisdictions in which we operate, which have varying tax rates. Changes in our pre-tax income mix, tax rates or tax legislation in such jurisdictions may affect our effective income tax rate and net income.

SUPPLEMENTAL NON-GAAP FINANCIAL MEASURES

As supplemental information, we are providing performance measures for “adjusted operating income,” “adjusted operating margin,” “adjusted net income” and “adjusted diluted earnings per share,” each of which is based on methodologies other than generally accepted accounting principles (“non-GAAP measures”). Management believes these non-GAAP measures are useful indicators of our financial performance and may be helpful to investors in evaluating our relative performance against industry peers.

“Adjusted operating income,” “adjusted operating margin,” “adjusted net income” and “adjusted diluted earnings per share” are defined below, followed by reconciliations of operating income, operating margin, net income attributable to Franklin Resources, Inc. and diluted earnings per share on a U.S. GAAP basis to these non-GAAP measures. Non-GAAP measures should not be considered in isolation from, or as substitutes for, any financial information prepared in accordance with U.S. GAAP, and may not be comparable to other similarly titled measures of other companies. Additional reconciling items may be added in the future to these non-GAAP measures if deemed appropriate.

Adjusted Operating Income

We define adjusted operating income as operating income adjusted to exclude the following:

- Elimination of operating revenues upon consolidation of investment products.
- Acquisition-related items:
  - Acquisition-related retention compensation.
  - Other acquisition-related expenses including professional fees, technology costs and fair value adjustments related to contingent consideration assets and liabilities.
  - Amortization of intangible assets.
  - Impairment of intangible assets and goodwill, if any.
- Special termination benefits related to workforce optimization initiatives related to past acquisitions and certain initiatives undertaken by the Company.
- Impact on compensation and benefits expense from gains and losses on investments related to deferred compensation plans, which is offset in investment and other income (losses), net.
- Impact on compensation and benefits expense related to minority interests in certain subsidiaries, which is offset in net income (loss) attributable to redeemable noncontrolling interests.

Adjusted Operating Margin

We calculate adjusted operating margin as adjusted operating income divided by adjusted operating revenues. We define adjusted operating revenues as operating revenues adjusted to exclude the following:

- Elimination of operating revenues upon consolidation of investment products.
- Acquisition-related performance-based investment management fees which are passed through as compensation and benefits expense.
- Sales and distribution fees and a portion of investment management fees allocated to cover sales, distribution and marketing expenses paid to the financial advisers and other intermediaries who sell our funds on our behalf.

Adjusted Net Income and Adjusted Diluted Earnings Per Share

We define adjusted net income as net income attributable to Franklin Resources, Inc. adjusted to exclude the following:

- Activities of CIPs.
- Acquisition-related items:
  - Acquisition-related retention compensation.
  - Other acquisition-related expenses including professional fees, technology costs and fair value adjustments related to contingent consideration assets and liabilities.
  - Amortization of intangible assets.
  - Impairment of intangible assets and goodwill, if any.
  - Write off of noncontrolling interests related to the wind down of an acquired business.
  - Interest expense for amortization of Legg Mason debt premium from acquisition-date fair value adjustment.

- Special termination benefits related to workforce optimization initiatives related to past acquisitions and certain initiatives undertaken by the Company.
- Net gains or losses on investments related to deferred compensation plans which are not offset by compensation and benefits expense.
- Net compensation and benefits expense related to minority interests in certain subsidiaries not offset by net income (loss) attributable to redeemable noncontrolling interests.
- Unrealized investment gains and losses.
- Net income tax expense of the above adjustments based on the respective blended rates applicable to the adjustments.

We define adjusted diluted earnings per share as diluted earnings per share adjusted to exclude the per share impacts of the adjustments applied to net income in calculating adjusted net income.

In calculating our non-GAAP measures, we adjust for the impact of CIPs because it is not considered reflective of our underlying results of operations. Acquisition-related items and special termination benefits are excluded to facilitate comparability to other asset management firms. We adjust for compensation and benefits expense related to funded deferred compensation plans because it is partially offset in other income (expense), net. We adjust for compensation and benefits expense and net income (loss) attributable to redeemable noncontrolling interests to reflect the economics of certain profits interest arrangements. Sales and distribution fees and a portion of investment management fees generally cover sales, distribution and marketing expenses and, therefore, are excluded from adjusted operating revenues. In addition, when calculating adjusted net income and adjusted diluted earnings per share we exclude unrealized investment gains and losses included in investment and other income (losses) because the related investments are generally expected to be held long term.

The calculations of adjusted operating income, adjusted operating margin, adjusted net income and adjusted diluted earnings per share are as follows:

(in millions)

for the fiscal years ended September 30,	2023	2022	2021
Operating income	**$ 1,102.3**	**$ 1,773.9**	**$ 1,875.0**
Add (subtract):			
Elimination of operating revenues upon consolidation of investment products[1]	37.5	48.2	22.8
Acquisition-related retention	164.9	167.2	163.7
Compensation and benefits expense from gains (losses) on deferred compensation, net	20.3	(36.7)	22.7
Other acquisition-related expenses	50.2	60.7	36.0
Amortization of intangible assets	341.1	282.0	232.0
Special termination benefits	63.2	8.2	27.1
Compensation and benefits expense related to minority interests in certain subsidiaries	44.3	20.0	—
Adjusted operating income	**$ 1,823.8**	**$ 2,323.5**	**$ 2,379.3**
Total operating revenues	**$ 7,849.4**	**$ 8,275.3**	**$ 8,425.5**
Add (subtract):			
Acquisition-related pass through performance fees	(169.7)	(4.2)	(25.3)
Sales and distribution fees	(1,203.7)	(1,415.0)	(1,635.5)
Allocation of investment management fees for sales, distribution and marketing expenses	(409.4)	(430.6)	(470.3)
Elimination of operating revenues upon consolidation of investment products[1]	37.5	48.2	22.8
Adjusted operating revenues	**$ 6,104.1**	**$ 6,473.7**	**$ 6,317.2**
Operating margin	**14.0 %**	**21.4 %**	**22.3 %**
Adjusted operating margin	**29.9 %**	**35.9 %**	**37.7 %**

(in millions, except per share data)

for the fiscal years ended September 30,	2023	2022	2021
Net income attributable to Franklin Resources, Inc.	**$ 882.8**	**$ 1,291.9**	**$ 1,831.2**
Add (subtract):			
Net (income) loss of consolidated investment products[1]	8.0	(0.2)	(2.8)
Acquisition-related retention	164.9	167.2	163.7
Other acquisition-related expenses	70.4	73.3	34.0
Amortization of intangible assets	341.1	282.0	232.0
Special termination benefits	63.2	8.2	27.1
Net losses (gains) on deferred compensation plan investments not offset by compensation and benefits expense	(15.5)	9.0	(1.2)
Unrealized investment losses (gains)	(2.6)	191.9	(285.7)
Interest expense for amortization of debt premium	(25.4)	(25.2)	(51.4)
Net compensation and benefits expense related to minority interests in certain subsidiaries not offset by net income (loss) attributable to redeemable noncontrolling interests	0.1	1.4	—
Net income tax expense of adjustments	(154.8)	(143.9)	(31.7)
Adjusted net income	**$ 1,332.2**	**$ 1,855.6**	**$ 1,915.2**
Diluted earnings per share	**$ 1.72**	**$ 2.53**	**$ 3.57**
Adjusted diluted earnings per share	**2.60**	**3.63**	**3.74**

[1] The impact of consolidated investment products is summarized as follows:

(in millions)

for the fiscal years ended September 30,	2023	2022	2021
Elimination of operating revenues upon consolidation	$ (37.5)	$ (48.2)	$ (22.8)
Other income, net	88.8	24.2	207.4
Less: income (loss) attributable to noncontrolling interests	59.3	(24.2)	181.8
Net income (loss)	**$ (8.0)**	**$ 0.2**	**$ 2.8**

LIQUIDITY AND CAPITAL RESOURCES

Cash flows were as follows:

(in millions)

for the fiscal years ended September 30,	2023	2022	2021
Operating cash flows	$ 1,138.7	$ 1,956.7	$ 1,245.4
Investing cash flows	(3,582.1)	(3,329.2)	(2,615.9)
Financing cash flows	2,029.0	1,585.0	2,030.1

Net cash provided by operating activities decreased in fiscal year 2023 primarily due to higher net purchases of investments by CIPs and lower net income adjusted for non-cash items. Net cash used in investing activities increased as compared to the prior year primarily due to net purchases of our investments as compared to net liquidations in the prior year, higher net purchases of investments by collateralized loan obligations (“CLOs”), payments of deferred consideration liability in the current year, and net deconsolidation of CIPs as compared to net consolidation in the prior year, partially offset by lower cash paid for acquisitions in the current year. Net cash provided by financing activities increased as compared to the prior year primarily due to proceeds from repurchase agreements in the current year and higher net proceeds from debt of CIPs.

Net cash provided by operating activities increased in fiscal year 2022 primarily due to lower net purchases of

investments by CIPs, higher net income adjusted for non-cash items and timing differences in the cash settlement of operating assets and liabilities. Net cash used in investing activities increased as compared to the prior year primarily due to cash paid for acquisitions in the current year, partially offset by net liquidations of our investments as compared to net purchases in the prior year. Net cash provided by financing activities decreased as compared to the prior year primarily due to proceeds from issuance of debt in the prior year, partially offset by higher net proceeds from debt of CIPs.

The assets and liabilities of CIPs attributable to third-party investors do not impact our liquidity and capital resources. We have no right to the CIPs' assets, other than our direct equity investment in them and investment management and other fees earned from them. The debt holders of the CIPs have no recourse to our assets beyond the level of our direct investment, therefore we bear no other risks associated with the CIPs' liabilities. Accordingly, the assets and liabilities of CIPs, other than our direct investments in them, are excluded from the amounts and discussion below.

Our liquid assets and debt consisted of the following:

(in millions)

as of September 30,	**2023**	**2022**	**2021**
Assets			
Cash and cash equivalents	$ 3,592.8	$ 4,086.8	$ 4,357.8
Receivables	1,181.7	1,130.8	1,300.4
Investments	1,098.8	830.0	1,042.2
Total Liquid Assets	**$ 5,873.3**	**$ 6,047.6**	**$ 6,700.4**
Liability			
Debt	$ 3,052.8	$ 3,376.4	$ 3,399.4

Liquidity

Liquid assets consist of cash and cash equivalents, receivables and certain investments. Cash and cash equivalents at September 30, 2023 primarily consist of money market funds and deposits with financial institutions. Liquid investments consist of investments in sponsored and other funds, direct investments in redeemable CIPs, other equity and debt securities, and time deposits with maturities greater than three months.

We utilize a significant portion of our liquid assets to satisfy operational and regulatory requirements and fund capital contributions to sponsored and other products. Certain of our subsidiaries are required by our internal policy or regulation to maintain minimum levels of cash and/or capital, and may be restricted in their ability to transfer cash to their parent companies. Should we require more capital than is available for use, we could elect to reduce the level of discretionary activities, such as share repurchases or investments in sponsored and other products, we could raise capital through debt or equity issuances, or utilize existing or new credit facilities. These alternatives could result in increased interest expense, decreased dividend or interest income, or other dilution to our earnings.

Capital Resources

We believe that we can meet our present and reasonably foreseeable operating cash needs and future commitments through existing liquid assets, continuing cash flows from operations, amounts available under the credit facility discussed below, the ability to issue debt or equity securities and borrowing capacity under our uncommitted commercial paper private placement program.

In prior fiscal years, we issued senior unsecured unsubordinated notes for general corporate purposes and to redeem outstanding notes. At September 30, 2023, Franklin's outstanding senior notes had an aggregate principal amount due of $1,600.0 million. The notes have fixed interest rates from 1.600% to 2.950% with interest paid semi-annually and have an aggregate carrying value, inclusive of unamortized discounts and debt issuance costs, of $1,585.0 million. At September 30, 2023, Legg Mason's outstanding senior notes had an aggregate principal amount due of $1,250.0 million. The notes have fixed interest rates from 3.950% to 5.625% with interest paid semi-annually and have an aggregate carrying value, inclusive of unamortized premium, of $1,467.8 million.

The senior notes contain an optional redemption feature that allows us to redeem each series of notes prior to maturity in whole or in part at any time, at a make-whole redemption price. The indentures governing the senior notes

contain limitations on our ability and the ability of our subsidiaries to pledge voting stock or profit participating equity interests in our subsidiaries to secure other debt without similarly securing the notes equally and ratably. In addition, the indentures include requirements that must be met if we consolidate or merge with, or sell all of our assets to, another entity.

On July 25, 2023, we terminated our undrawn 364-day $500.0 million revolving credit facility and our 3-year term loan with an aggregate commitment of $300.0 million. The term loan was repaid with existing cash. Concurrently, the Company entered into a $800.0 million 5-year revolving credit facility which remains undrawn as of the time of this filing. This facility contains a financial performance covenant requiring that the Company maintain a consolidated net leverage ratio, measured as of the last day of each fiscal quarter, of no greater than 3.25 to 1.00. We were in compliance with all debt covenants at September 30, 2023.

At September 30, 2023, we had $500.0 million of short-term commercial paper available for issuance under an uncommitted private placement program which has been inactive since 2012 and is unrated.

Our ability to access the capital markets in a timely manner depends on a number of factors, including our credit rating, the condition of the global economy, investors' willingness to purchase our securities, interest rates, credit spreads and the valuation levels of equity markets. If we are unable to access capital markets in a timely manner, our business could be adversely impacted.

Uses of Capital

We expect that our main uses of cash will be to invest in and grow our business including through acquisitions, pay stockholder dividends, invest in our products, pay income taxes and operating expenses of the business, enhance technology infrastructure and business processes, repurchase shares of our common stock, and repay and service debt. While we expect to continue to repurchase shares to offset dilution from stock-based compensation, and expect to continue to repurchase shares opportunistically from time to time, we will likely spend more of our post-dividend free cash flow investing in our business, including seed capital and acquiring resources to help grow our investment teams and operations.

In the ordinary course of business, we enter into contracts or purchase obligations with third parties whereby the third parties provide goods or services to or on behalf of the Company. Purchase obligations include contractual amounts that will be due to purchase goods and services to be used in our operations and are recorded as liabilities in the consolidated financial statements when services are provided. At September 30, 2023, we had $779.1 million of purchase obligations.

We typically declare cash dividends on a quarterly basis, subject to approval by our Board of Directors. We declared regular dividends of $1.20 per share ($0.30 per share per quarter) in fiscal year 2023, and of $1.16 per share ($0.29 per share per quarter) in fiscal year 2022. We currently expect to continue paying comparable regular dividends on a quarterly basis to holders of our common stock depending upon earnings and other relevant factors.

We maintain a stock repurchase program to manage our equity capital with the objective of maximizing shareholder value. Our stock repurchase program is effected through open-market purchases and private transactions in accordance with applicable laws and regulations, and is not subject to an expiration date. The size and timing of these purchases will depend on business conditions, price, market and other factors. During fiscal years 2023 and 2022, we repurchased 9.6 million and 6.5 million shares of our common stock at a cost of $256.3 million and $180.8 million. At September 30, 2023, 14.7 million shares remained available for repurchase under the authorization of 80.0 million shares approved by our Board of Directors in April 2018.

While we have no legal or contractual obligation to do so, we routinely make cash investments in the course of launching sponsored funds. At September 30, 2023, we had $305.6 million of committed capital contributions which relate to commitments to invest in sponsored funds and other investment products and entities, including CIPs. These unfunded commitments are not recorded in the consolidated balance sheet.

We entered into a lease agreement for office space in New York City located at One Madison Avenue with occupancy expected to begin in early fiscal year 2024 with an aggregate expected commitment of $766.7 million over sixteen years. In the first quarter of fiscal year 2024, we expect to recognize operating lease liabilities of approximately $400 million. This is part of an initiative to consolidate our existing office space in New York City.

On May 31, 2023, we entered into a definitive agreement to acquire Putnam Investments from Great-West Lifeco, Inc. ("Great-West") for approximately 33.3 million shares of our common stock that we will issue to Great-West at closing and $100.0 million paid in cash 180 days after closing. We plan to pay the cash portion with existing cash.

On November 1, 2022, we acquired all of the outstanding ownership interests in BNY Alcentra Group Holdings, Inc. from The Bank of New York Mellon Corporation. Total purchase consideration consisted of cash consideration of approximately $594.1 million, which includes $188.3 million for certain securities held in Alcentra's CLOs; deferred consideration of $62.0 million which was paid on November 1, 2023; and contingent consideration of up to $350.0 million to be paid upon the achievement of certain performance thresholds over the next four years that has an acquisition-date fair value of $24.6 million. We paid the purchase price from our existing cash.

On December 15, 2022, we entered into repurchase agreements with a third-party financing company for certain securities held in Alcentra's CLOs. Under the terms of the repurchase agreements, we received cash proceeds of approximately $175.0 million with pledged collateral consisting of Alcentra investments with a carrying value of $171.3 million at September 30, 2023. The repurchase agreements have contractual maturity dates ranging between 2029 to 2034.

On April 1, 2022, we acquired all of the outstanding ownership interests in Lexington for cash consideration of approximately $1.0 billion and additional payments of $750.0 million to be paid in cash over the next three years. The first additional payment of $250.0 million was made during the quarter ended June 30, 2023 from our existing cash.

The funds that we manage have their own resources available for purposes of providing liquidity to meet shareholder redemptions, including securities that can be sold or provided to investors as in-kind redemptions, and lines of credit. Increased liquidity risks and redemptions have required, and may continue to require, increased cash in the form of loans or other lines of credit to help settle redemptions and for other related purposes. While we have no legal or contractual obligation to do so, we have in certain instances voluntarily elected to provide the funds with direct or indirect financial support based on our business objectives. We did not provide financial or other support to our sponsored funds during fiscal year 2023 or 2022.

CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. These estimates, judgments, and assumptions are affected by our application of accounting policies. Further, concerns about the global economic outlook have adversely affected and may continue to adversely affect our business, financial condition and results of operations including the estimates and assumptions made by management. Actual results could differ from the estimates. Described below are the accounting policies that we believe are most critical to understanding our financial position and results of operations. For additional information about our accounting policies, see Note 1 – Significant Accounting Policies in the notes to consolidated financial statements in Item 8 of Part II of this Annual Report.

Consolidation

We consolidate our subsidiaries and investment products in which we have a controlling financial interest. We have a controlling financial interest when we own a majority of the voting interest in a voting interest entity ("VOE") or are the primary beneficiary of a variable interest entity ("VIE").

A VIE is an entity in which the equity investment holders have not contributed sufficient capital to finance its activities or do not have defined rights and obligations normally associated with an equity investment. The assessment of whether an entity is a VIE or VOE involves judgment and analysis on a structure-by-structure basis. When performing the assessment, we consider factors such as the entity's legal organization, design and capital structure, the rights of the equity investment holders and our contractual involvement with and ownership interest in the entity. Our VIEs are primarily investment products and our variable interests consist of our equity ownership interests in and investment management fees earned from these products.

We are the primary beneficiary of a VIE if we have the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses of or right to receive benefits from the VIE that could potentially be significant to the VIE. Investment management fees earned from VIEs are excluded from the primary

beneficiary determination if they are deemed to be at market and commensurate with service. The key assumption used in the analysis includes the amount of AUM. These estimates and assumptions are subject to variability. For example, AUM is impacted by market volatility and the level of sales, redemptions, distributions to investors and reinvested distributions. There is judgment involved in assessing whether we have the power to direct the activities that most significantly impact VIEs' economic performance and the obligation to absorb losses of or right to receive benefits from VIEs that could potentially be significant to the VIEs. As of September 30, 2023, we were the primary beneficiary of 63 investment product VIEs.

Business Combinations

Business combinations are accounted for by recognizing the acquired assets, including separately identifiable intangible assets, and assumed liabilities at their acquisition-date estimated fair values. Any excess of the purchase consideration over the acquisition-date fair values of these identifiable assets and liabilities is recognized as goodwill. Determining the fair value of assets acquired and liabilities assumed involves the use of significant estimates and assumptions. During the measurement period, which is not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in earnings.

Intangible assets acquired in business combinations consist primarily of investment management contracts and trade names. The fair values of the acquired management contracts are based on the net present value of estimated future cash flows attributable to the contracts, which include significant assumptions about forecasts of the AUM growth rate, pre-tax profit margin, discount rate, average effective fee rate and effective tax rate. The fair value of trade names is determined using the relief from royalty method based on net present value of estimated future cash flows, which include significant assumptions about royalty rate, revenue growth rate, discount rate and effective tax rate. Our estimates are based on assumptions believed to be reasonable, but are inherently uncertain and unpredictable and, as a result, may differ from actual results.

Our management contract intangible assets are amortized over their estimated useful lives, which range from three to sixteen years, using the straight-line method, unless the asset is determined to have an indefinite useful life. Indefinite-lived intangible assets represent contracts to manage investment assets for which there is no foreseeable limit on the contract period. Trade names are amortized over their estimated useful lives which range from five to twenty years using the straight-line method.

Goodwill and indefinite-lived intangible assets are tested for impairment annually and when an event occurs or circumstances change that more likely than not reduce the fair value of the related reporting unit or indefinite-lived intangible asset below its carrying value. We have one reporting unit, investment management and related services, consistent with our single operating segment, to which all goodwill has been assigned. We make significant estimates and assumptions when evaluating goodwill and other intangible assets for impairment.

We may first assess goodwill and indefinite-lived intangible assets for qualitative factors to determine whether it is necessary to perform a quantitative impairment test. The qualitative analysis considers entity-specific and macroeconomic factors and their potential impact on key assumptions used in the determination of the fair value of the reporting unit or indefinite-lived intangible asset. A quantitative impairment test is performed if the results of the qualitative assessment indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying value or an indefinite-lived intangible asset is impaired, or if a qualitative assessment is not performed. Quantitative tests compare the fair value of the asset to its carrying value.

The fair values of the reporting unit and indefinite-lived intangible assets are based on the net present value of estimated future cash flows, which include significant assumptions about the AUM growth rate, pre-tax profit margin, discount rate, average effective fee rate and effective tax rate. The most relevant of these assumptions to the determination of estimated fair value are the AUM growth rate, pre-tax profit margin and the discount rate.

We performed a qualitative annual impairment test for goodwill and all indefinite-lived intangible assets as of August 1, 2023 and concluded it is more likely than not that the fair values of the reporting unit and the indefinite-lived intangible assets exceed their carrying values.

We subsequently monitored market conditions and their potential impact on the assumptions used in the annual assessment to determine whether circumstances have changed that would more likely than not reduce the fair value of the reporting unit below its carrying value, or indicate that the other indefinite-lived intangible assets might be impaired. We considered, among other things, changes in our AUM and weighted-average cost of capital by assessing whether these changes would impact the reasonableness of our impairment assessment as of August 1, 2023. We also monitored fluctuations of our common stock per share price to evaluate our market capitalization relative to the reporting unit as a whole. Subsequent to August 1, 2023, there were no impairments of goodwill or indefinite-lived intangible assets as no events occurred or circumstances changed that would indicate these assets might be impaired.

We test definite-lived intangible assets for impairment quarterly. Impairment is indicated when the carrying value of an asset is not recoverable and exceeds its fair value. Recoverability is evaluated based on estimated undiscounted future cash flows using assumptions about the AUM growth rate, pre-tax profit margin, average effective fee rate and expected useful life as well as royalty rate for trade name intangible assets. The most relevant of these assumptions to determine future cash flows is the AUM growth rate. If the carrying value of an asset is not recoverable through undiscounted cash flows, impairment is recognized in the amount by which the carrying value exceeds the asset's fair value, as determined by discounted cash flows or other methods as appropriate for the asset type. There were no impairments of definite-lived intangible assets during fiscal year 2023.

While we believe that the assumptions used to estimate fair value in our impairment tests are reasonable and appropriate, future changes in the assumptions could result in recognition of impairment.

Fair Value Measurements

Our investments are primarily recorded at fair value or amounts that approximate fair value on a recurring basis. We use a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based on whether the inputs to those valuation techniques are observable or unobservable. The assessment of the hierarchy level of the assets or liabilities measured at fair value is determined based on the lowest level input that is significant to the fair value measurement in its entirety. See Note 1 – Significant Accounting Policies in the notes to consolidated financial statements in Item 8 of Part II of this Annual Report for more information on the fair value hierarchy.

As of September 30, 2023, Level 3 assets represented 6% of total assets measured at fair value, substantially all of which related to CIPs' investments in equity and debt securities. There were insignificant transfers into and out of Level 3 during fiscal year 2023.

The following are descriptions of the significant assets measured at fair value and their fair value methodologies.

Sponsored funds and separate accounts consist primarily of investments in nonconsolidated sponsored funds and to a lesser extent, separate accounts. Changes in the fair value of the investments are recognized as gains and losses in earnings. The fair values of fund products are determined based on their published NAV or estimated using NAV as a practical expedient. The fair values of the underlying investments in the separate accounts are determined using quoted market prices, or independent third-party broker or dealer price quotes if quoted market prices are not available.

Investments related to long-term incentive plans consist primarily of investments in sponsored funds related to certain compensation plans that have certain vesting provisions. Changes in fair value are recognized as gains and losses in earnings. The fair values of the investments are determined based on the fund products' published NAV or estimated using NAV as a practical expedient.

Other equity and debt investments consist of other equity and debt securities carried at fair value. Changes in the fair value are recognized as gains and losses in earnings. The fair values of equity securities, excluding fund products, and debt securities are determined using independent third-party broker or dealer price quotes or based on either a market-based or income-based approach using significant unobservable inputs. The fair values of fund products are determined based on their published NAV or estimated using NAV as a practical expedient.

Investments of CIPs consist of marketable debt and equity securities and other investments that are not generally traded in active markets. Changes in the fair value of the investments are recognized as gains and losses in earnings. The fair values of marketable securities are determined using quoted market prices, or independent third-party broker or dealer price quotes if quoted market prices are not available. The investments that are not generally traded in active markets consist of loans, other equity and debt securities of entities in emerging markets, fund products and real estate. The fair values are determined using significant unobservable inputs in either a market-based or income-based approach, except for fund products, for which fair values are estimated using NAV as a practical expedient.

Noncontrolling interests consist of third-party equity interests in CIPs and minority interests in certain subsidiaries. Noncontrolling interests that are redeemable or convertible for cash or other assets at the option of the noncontrolling interest holders and are classified as temporary equity at fair value, except when the fair value is less than the issuance date fair value, the reported amount is the issuance date fair value. Changes in fair value of redeemable noncontrolling interest is recognized as an adjustment to retained earnings. Nonredeemable noncontrolling interests do not permit the noncontrolling interest holders to request settlement, are reported at their issuance value and undistributed net income (loss) attributable to noncontrolling interests.

The fair value of third-party equity interests in CIPs are determined based on the published NAV or estimated using NAV a practical expedient. The fair values of redeemable noncontrolling interests related to minority interest in certain subsidiaries are determined using discounted cash flows and guideline public company methods, which include significant assumptions about forecasts of the AUM growth rate, pre-tax profit margin, discount rate and public company earnings multiples.

Revenues

We earn revenue primarily from providing investment management and related services to our customers, which are generally investment products or investors in separate accounts. Related services include fund administration, sales and distribution, and shareholder servicing. Revenues are recognized when our obligations related to the services are satisfied and it is probable that a significant reversal of the revenue amount would not occur in future periods. The obligations are satisfied over time as the services are rendered, except for the sales and distribution obligations for the sale of shares of sponsored funds, which are satisfied on trade date. Multiple services included in customer contracts are accounted for separately when the obligations are determined to be distinct.

Fees from providing investment management and fund administration services (“investment management fees”), other than performance-based investment management fees, are determined based on a percentage of AUM, primarily on a monthly basis using daily average AUM, and are recognized as the services are performed over time. Performance-based investment management fees are generated when investment products’ performance exceeds targets established in customer contracts. These fees are recognized when significant reversal of the amount is no longer probable and may relate to investment management services that were provided in prior periods.

Sales and distribution fees primarily consist of upfront sales commissions and ongoing distribution fees. Sales commissions are based on contractual rates for sales of certain classes of sponsored funds and are recognized on trade date. Distribution service fees are determined based on a percentage of AUM, primarily on a monthly basis using daily average AUM. As the fee amounts are uncertain on trade date, they are recognized over time as the amounts become known and may relate to sales and distribution services provided in prior periods.

AUM is generally based on the fair value of the underlying securities held by investment products and is calculated using fair value methods derived primarily from unadjusted quoted market prices, unadjusted independent third-party broker or dealer price quotes in active markets, or market prices or price quotes adjusted for observable price movements after the close of the primary market. The fair values of securities for which market prices are not readily available are valued internally using various methodologies which incorporate significant unobservable inputs as appropriate for each security type. Pricing of the securities is governed by our global valuation and pricing policy, which defines valuation and pricing conventions for each security type, including practices for responding to unexpected or unusual market events.

As our AUM is primarily valued based on observable market prices or inputs, market risk is the most significant risk underlying the valuation of our AUM.

Income Taxes

Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and the reported amounts in the consolidated financial statements using the statutory tax rates in effect for the year when the reported amount of the asset or liability is expected to be recovered or settled, respectively. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income tax expense in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying values of deferred tax assets to the amount that is more likely than not to be realized. In assessing whether a valuation allowance should be established against a deferred income tax asset, we consider all positive and negative evidence, which includes timing of expiration, projected sources of taxable income, limitations on utilization under the statute and the effectiveness of prudent and feasible tax planning strategies among other factors. For each tax position taken or expected to be taken in a tax return, we utilize significant judgment related to the range of possible favorable or unfavorable outcomes to determine whether it is more likely than not that the position will be sustained upon examination based on the technical merits of the position, including resolution of any related appeals or litigation. A tax position that meets the more likely than not recognition threshold is measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement.

We operate in numerous countries, states and other taxing jurisdictions. The income tax laws are complex and subject to different interpretations by the taxpayer and the relevant taxing authorities. Significant judgment is required in the determination of our annual income tax provisions, which includes the assessment of deferred tax assets and uncertain tax positions, as well as the interpretation and application of existing and newly enacted tax laws, regulation changes, and new judicial rulings. We repatriate foreign earnings that are in excess of regulatory, capital or operational requirements of all of our non-U.S. subsidiaries.

It is possible that actual results will vary from those recognized in our consolidated financial statements due to changes in the interpretation of applicable guidance or as a result of examinations by taxing authorities.

Loss Contingencies

We are involved in various lawsuits and claims encountered in the normal course of business. When such a matter arises and periodically thereafter, we consult with our legal counsel and evaluate the merits of the claims based on the facts available at that time. In management’s opinion, an adequate accrual has been made as of September 30, 2023 to provide for any probable losses that may arise from such matters for which we could reasonably estimate an amount. See also Note 15 – Commitments and Contingencies in the notes to consolidated financial statements in Item 8 of Part II of this Annual Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

In the normal course of business, our financial position is subject to market risk, including, but not limited to, potential loss due to changes in the value of financial instruments including those resulting from adverse changes in interest rates, foreign currency exchange rates and market valuation. Financial instruments include, but are not limited to, investment securities and debt obligations. Management is responsible for managing market risk. Our Enterprise Risk Management Committee is responsible for providing a framework to assist management to identify, assess and manage market and other risks.

Our market risk from assets and liabilities of CIPs is limited to that of our direct equity investments in them and investment management fees earned from them. Accordingly, the assets and liabilities of CIPs are excluded from the discussion below.

AUM Market Price Risk

We are exposed to market risk through our investment management and distribution fees, which are generally calculated as a percentage of AUM. Changes in market prices, interest rates, credit spreads, foreign exchange rates, or a combination of these factors could cause the value of AUM to decline, which would result in lower investment management and distribution fees. Our exposure to these risks is reduced as we sponsor a broad range of investment products in various global jurisdictions, which serves to mitigate the impact of changes in any particular market or region.

Assuming the respective effective fee rates and asset mix remain unchanged, a proportional 10% change in the value of our average AUM would result in corresponding 10% changes in our investment management fees and asset-based distribution fee revenues, excluding performance-based investment management fees. Such a change for the fiscal year ended September 30, 2023 would have resulted in an increase or decrease in operating revenues of $690.1 million.

Interest Rate Risk

We are exposed to changes in interest rates primarily through our investments in funds that invest in debt securities, which were $2,471.2 million at September 30, 2023. Our exposure to interest rate risks from these investments is mitigated by the low average duration exposure and a broad range of products in various global jurisdictions. We had minimal exposure to changes in interest rates from debt obligations at September 30, 2023 as substantially all of our outstanding debt was issued at fixed rates.

As of September 30, 2023, we have considered the potential impact of a 100 basis point movement in market interest rates on our investments in funds that invest in debt securities. Based on our analysis, we do not expect that such a change would have a material impact on our earnings in the next 12 months.

Foreign Currency Exchange Risk

We are subject to foreign currency exchange risk through our international operations. While the majority of our revenues are earned in the U.S., we also provide services and earn revenue in international jurisdictions. Our exposure to foreign currency exchange risk is reduced in relation to our results of operations since a significant portion of these revenues is denominated in U.S. dollars. This situation may change in the future as our business continues to grow outside the U.S. and expenses incurred denominated in foreign currencies increase.

The exposure to foreign currency exchange risk in our consolidated balance sheet mostly relates to cash and cash equivalents and investments that are denominated in foreign currencies, primarily in the Euro, Indian Rupee, Pound Sterling and Australian dollar. These assets accounted for 23% of the total cash and cash equivalents and investments at September 30, 2023.

A 10% weakening of the U.S. dollar against the various foreign currencies to which we had exposure as described above would result in corresponding 10% increases in the U.S. dollar values of the foreign currency assets and 10% decreases in the foreign currency values of the U.S. dollar assets. Such a weakening as of September 30, 2023 would result in a $134.8 million decrease in accumulated other comprehensive loss and a $24.0 million decrease in pre-tax earnings. We generally do not use derivative financial instruments to manage foreign currency exchange risk exposure. As a result, both positive and negative currency fluctuations against the U.S. dollar may affect our results of operations and accumulated other comprehensive income (loss).

Market Valuation Risk

We are exposed to market valuation risks related to securities we hold that are carried at fair value. To mitigate the risks we maintain a diversified investment portfolio and, from time to time, we may enter into derivative agreements.

The following is a summary of the effect of a 10% increase or decrease in the carrying values of our financial instruments subject to market valuation risks at September 30, 2023. If such a 10% increase or decrease in carrying values were to occur, the changes from investments measured at fair value and direct investments in CIPs would result in a $190.7 million increase or decrease in our pre-tax earnings.

(in millions)	Carrying Value	Carrying Value Assuming a 10% Increase	Carrying Value Assuming a 10% Decrease
Investments, at fair value	$ 872.8	$ 960.1	$ 785.5
Direct investments in CIPs	1,033.9	1,137.3	930.5
Total	**$ 1,906.7**	**$ 2,097.4**	**$ 1,716.0**

Item 8. Financial Statements and Supplementary Data.

Index of Consolidated Financial Statements for the fiscal years ended September 30, 2023, 2022 and 2021.

All schedules have been omitted as the information is provided in the financial statements or in related notes thereto or is not required to be filed, as the information is not applicable.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Franklin Resources, Inc. and its consolidated subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. The Company's internal control over financial reporting is a process designed under the supervision of the Company's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2023, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013). Based on that assessment, management concluded that, as of September 30, 2023, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of September 30, 2023 has been audited by PricewaterhouseCoopers LLP, the independent registered public accounting firm that audits the Company's consolidated financial statements, as stated in their report immediately following this report, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of September 30, 2023.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
and Stockholders of Franklin Resources, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Franklin Resources, Inc. and its subsidiaries (the "Company") as of September 30, 2023 and 2022, and the related consolidated statements of income, of comprehensive income, of stockholders' equity and of cash flows for each of the three years in the period ended September 30, 2023, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of September 30, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of

management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Realizability of Deferred Tax Assets

As described in Note 13 to the consolidated financial statements, the Company had gross deferred tax assets of $982.4 million as of September 30, 2023, reduced by a $292.9 million valuation allowance. Management records a valuation allowance to reduce the carrying values of deferred tax assets to the amount that is more likely than not to be realized. In assessing whether a valuation allowance should be established against a deferred income tax asset, management considers all positive and negative evidence, which includes timing of expiration, projected sources of taxable income, limitations on utilization under the statute, and effectiveness of prudent and feasible tax planning strategies.

The principal considerations for our determination that performing procedures relating to the realizability of deferred tax assets is a critical audit matter are the significant judgment by management when assessing the realizability of deferred tax assets, which in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to management's assessment of the realizability of deferred tax assets and significant assumptions relating to the timing of expiration, projected sources of taxable income, limitations on utilization under the statute, and effectiveness of prudent and feasible tax planning strategies.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the realizability of deferred tax assets, including controls over the completeness and accuracy of data relevant to the analysis, determination of projected sources of taxable income and expected utilization of deferred tax assets. These procedures also included, among others: (i) evaluating management's assessment of the realizability of deferred tax assets and the need for a valuation allowance, (ii) evaluating the reasonableness of management's significant assumptions related to timing of expiration, projected sources of taxable income, limitations on utilization under the statute and effectiveness of prudent and feasible tax planning strategies, (iii) evaluating the prudence and feasibility of the implementation of available tax planning strategies, and (iv) testing the completeness and accuracy of the data utilized in the assessment of the realizability of deferred tax assets.

/s/ PricewaterhouseCoopers LLP

San Francisco, California
November 13, 2023

We have served as the Company's auditor since 1974.

FRANKLIN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data)

for the fiscal years ended September 30,	2023	2022	2021
Operating Revenues			
Investment management fees	$ 6,452.9	$ 6,616.8	$ 6,541.6
Sales and distribution fees	1,203.7	1,415.0	1,635.5
Shareholder servicing fees	152.7	193.0	211.2
Other	40.1	50.5	37.2
Total operating revenues	7,849.4	8,275.3	8,425.5
Operating Expenses			
Compensation and benefits	3,494.0	3,089.8	2,971.3
Sales, distribution and marketing	1,613.1	1,845.6	2,105.8
Information systems and technology	505.0	500.2	486.1
Occupancy	228.9	218.9	218.1
Amortization of intangible assets	341.1	282.0	232.0
General, administrative and other	565.0	564.9	537.2
Total operating expenses	6,747.1	6,501.4	6,550.5
Operating Income	1,102.3	1,773.9	1,875.0
Other Income (Expenses)			
Investment and other income, net	340.0	91.1	264.7
Interest expense	(123.7)	(98.2)	(85.4)
Investment and other income (losses) of consolidated investment products, net	115.8	(17.7)	421.1
Expenses of consolidated investment products	(18.7)	(19.7)	(31.2)
Other income (expenses), net	313.4	(44.5)	569.2
Income before taxes	1,415.7	1,729.4	2,444.2
Taxes on income	312.3	396.2	349.6
Net income	1,103.4	1,333.2	2,094.6
Less: net income (loss) attributable to			
Redeemable noncontrolling interests	135.5	(46.9)	94.1
Nonredeemable noncontrolling interests	85.1	88.2	169.3
Net Income Attributable to Franklin Resources, Inc.	**$ 882.8**	**$ 1,291.9**	**$ 1,831.2**
Earnings per Share			
Basic	$ 1.72	$ 2.53	$ 3.58
Diluted	1.72	2.53	3.57

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See Notes to Consolidated Financial Statements.

FRANKLIN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

for the fiscal years ended September 30,	2023	2022	2021
Net Income	$ 1,103.4	$ 1,333.2	$ 2,094.6
Other Comprehensive Income (Loss)			
Currency translation adjustments, net of tax	112.8	(244.6)	29.1
Net unrealized gains (losses) on defined benefit plans, net of tax	(1.3)	0.8	0.9
Net unrealized gains on investments, net of tax	0.2	0.4	—
Total other comprehensive income (loss)	111.7	(243.4)	30.0
Total comprehensive income	1,215.1	1,089.8	2,124.6
Less: comprehensive income (loss) attributable to			
Redeemable noncontrolling interests	135.5	(46.9)	94.1
Nonredeemable noncontrolling interests	85.1	88.2	169.3
Comprehensive Income Attributable to Franklin Resources, Inc.	**$ 994.5**	**$ 1,048.5**	**$ 1,861.2**

See Notes to Consolidated Financial Statements.

FRANKLIN RESOURCES, INC.
CONSOLIDATED BALANCE SHEETS

(in millions, except share and per share data)

as of September 30,	2023	2022
Assets		
Cash and cash equivalents	$ 3,686.4	$ 4,134.9
Receivables	1,348.4	1,264.8
Investments (including $872.8 and $613.5 at fair value at September 30, 2023 and 2022)	2,222.0	1,651.3
Assets of consolidated investment products		
Cash and cash equivalents	716.0	647.6
Investments, at fair value	9,637.2	7,898.1
Property and equipment, net	800.1	743.3
Goodwill	6,003.8	5,778.6
Intangible assets, net	4,902.2	5,082.1
Operating lease right-of-use assets	406.3	464.5
Other	398.8	395.4
Total Assets	**$ 30,121.2**	**$ 28,060.6**
Liabilities		
Compensation and benefits	$ 1,665.1	$ 1,464.4
Accounts payable and accrued expenses	530.0	466.2
Income taxes	513.5	523.1
Debt	3,052.8	3,376.4
Liabilities of consolidated investment products		
Accounts payable and accrued expenses	349.7	646.9
Debt	8,231.8	5,457.7
Deferred tax liabilities	450.4	347.8
Operating lease liabilities	467.8	528.4
Other	1,286.2	1,425.0
Total liabilities	16,547.3	14,235.9
Commitments and Contingencies (Note 15)		
Redeemable Noncontrolling Interests	1,026.1	1,525.8
Stockholders' Equity		
Preferred stock, $1.00 par value, 1,000,000 shares authorized; none issued	—	—
Common stock, $0.10 par value, 1,000,000,000 shares authorized; 495,937,891 and 499,575,175 shares issued and outstanding at September 30, 2023 and 2022	49.6	50.0
Retained earnings	12,376.6	12,045.6
Accumulated other comprehensive loss	(509.3)	(621.0)
Total Franklin Resources, Inc. stockholders' equity	11,916.9	11,474.6
Nonredeemable noncontrolling interests	630.9	824.3
Total stockholders' equity	12,547.8	12,298.9
Total Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity	**$ 30,121.2**	**$ 28,060.6**

See Notes to Consolidated Financial Statements.

FRANKLIN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in millions)	Franklin Resources, Inc.								
	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accum-ulated Other Compre-hensive Loss	Stockholders' Equity	Non-redeemable Non-controlling Interests	Total Stockholders' Equity
as of and for the fiscal years ended September 30, 2023, 2022 and 2021	**Shares**	**Amount**						
Balance at October 1, 2020	**495.1**	**$ 49.5**	**$ —**	**$ 10,472.6**	**$ (407.6)**	**$ 10,114.5**	**$ 754.6**	**$ 10,869.1**
Adoption of new accounting guidance				(3.3)		(3.3)		(3.3)
Net income				1,831.2		1,831.2	169.3	2,000.5
Other comprehensive income					30.0	30.0		30.0
Dividends declared on common stock ($1.12 per share)				(573.7)		(573.7)		(573.7)
Repurchase of common stock	(7.3)	(0.7)	(192.8)	(14.7)		(208.2)		(208.2)
Issuance of common stock	14.0	1.4	132.0			133.4		133.4
Stock-based compensation			60.8			60.8		60.8
Net subscriptions and other				(2.1)		(2.1)	215.7	213.6
Net deconsolidation of investment products							(552.4)	(552.4)
Adjustment to fair value of redeemable noncontrolling interests				(159.2)		(159.2)		(159.2)
Balance at September 30, 2021	**501.8**	**$ 50.2**	**$ —**	**$ 11,550.8**	**$ (377.6)**	**$ 11,223.4**	**$ 587.2**	**$ 11,810.6**
Net income				1,291.9		1,291.9	88.2	1,380.1
Other comprehensive loss					(243.4)	(243.4)		(243.4)
Dividends declared on common stock ($1.16 per share)				(585.2)		(585.2)		(585.2)
Repurchase of common stock	(6.5)	(0.6)	(231.4)	51.2		(180.8)		(180.8)
Issuance of common stock	4.3	0.4	171.4			171.8		171.8
Stock-based compensation			60.0			60.0		60.0
Net subscriptions and other				—		—	24.7	24.7
Net deconsolidation of investment products							(25.7)	(25.7)
Acquisition							149.9	149.9
Adjustment to fair value of redeemable noncontrolling interests				(263.1)		(263.1)		(263.1)
Balance at September 30, 2022	**499.6**	**$ 50.0**	**$ —**	**$ 12,045.6**	**$ (621.0)**	**$ 11,474.6**	**$ 824.3**	**$ 12,298.9**
Net income				882.8		882.8	85.1	967.9
Other comprehensive income					111.7	111.7		111.7
Dividends declared on common stock ($1.20 per share)				(611.4)		(611.4)		(611.4)
Repurchase of common stock	(9.6)	(1.0)	(205.5)	(49.8)		(256.3)		(256.3)
Issuance of common stock	5.9	0.6	214.5			215.1		215.1
Stock-based compensation			(9.0)			(9.0)		(9.0)
Net subscriptions and other				—		—	82.1	82.1
Net deconsolidation of investment products							(360.6)	(360.6)
Adjustment to fair value of redeemable noncontrolling interests				109.4		109.4		109.4
Balance at September 30, 2023	**495.9**	**$ 49.6**	**$ —**	**$ 12,376.6**	**$ (509.3)**	**$ 11,916.9**	**$ 630.9**	**$ 12,547.8**

See Notes to Consolidated Financial Statements.

FRANKLIN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

for the fiscal years ended September 30,	2023	2022	2021
Net Income	**$ 1,103.4**	**$ 1,333.2**	**$ 2,094.6**
Adjustments to reconcile net income to net cash provided by operating activities:			
Stock-based compensation	182.6	208.2	171.9
Amortization of deferred sales commissions	50.0	64.8	78.2
Depreciation and other amortization	104.3	95.8	78.6
Amortization of intangible assets	341.1	282.0	232.0
Net (gains) losses on investments	(39.5)	75.4	(75.5)
Income from investments in equity method investees	(123.1)	(36.2)	(154.3)
Net losses (gains) on investments of consolidated investment products	120.4	95.1	(316.4)
Net purchase of investments by consolidated investment products	(829.4)	(355.9)	(781.0)
Deferred income taxes	41.5	98.0	3.7
Other	122.7	25.1	16.0
Changes in operating assets and liabilities:			
Increase in receivables and other assets	(63.2)	(86.7)	(182.5)
Decrease (increase) in investments, net	2.8	(3.7)	12.8
Increase in accrued compensation and benefits	128.9	281.7	114.8
Decrease in income taxes payable	(1.1)	(180.1)	(12.5)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(4.5)	64.8	(97.3)
Increase (decrease) in accounts payable and accrued expenses of consolidated investment products	1.8	(4.8)	62.3
Net cash provided by operating activities	**1,138.7**	**1,956.7**	**1,245.4**
Purchase of investments	(757.8)	(926.4)	(770.4)
Liquidation of investments	636.8	1,026.4	594.0
Purchase of investments by consolidated collateralized loan obligations	(4,364.1)	(3,991.7)	(3,654.7)
Liquidation of investments by consolidated collateralized loan obligations	1,834.1	1,948.8	1,624.2
Decrease in loan receivables, net	—	—	42.7
Additions of property and equipment, net	(148.8)	(90.3)	(79.3)
Acquisitions, net of cash acquired	(500.5)	(1,354.7)	(9.0)
Payments of contingent consideration asset	9.8	19.9	20.3
Payments of deferred consideration liability	(241.8)	—	—
Net (deconsolidation) consolidation of investment products	(49.8)	38.8	(383.7)
Net cash used in investing activities	**(3,582.1)**	**(3,329.2)**	**(2,615.9)**

[Table continued on next page]

See Notes to Consolidated Financial Statements.

FRANKLIN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

[Table continued from previous page]

(in millions)

for the fiscal years ended September 30,	**2023**	**2022**	**2021**
Issuance of common stock	$ 23.3	$ 25.1	$ 22.3
Dividends paid on common stock	(607.3)	(583.1)	(559.7)
Repurchase of common stock	(256.3)	(180.8)	(208.2)
Proceeds from repurchase agreement	174.8	—	—
Proceeds from issuance of debt	—	—	1,193.9
Payment of debt issuance costs	—	—	(11.8)
Payments on debt	(300.0)	(300.0)	(750.0)
Proceeds from loan	—	300.0	—
Proceeds from debt of consolidated investment products	3,539.9	4,884.4	2,937.9
Payments on debt by consolidated investment products	(1,105.0)	(2,745.8)	(1,315.7)
Payments on contingent consideration liabilities	(7.6)	(14.8)	—
Noncontrolling interests	567.2	200.0	721.4
Net cash provided by financing activities	**2,029.0**	**1,585.0**	**2,030.1**
Effect of exchange rate changes on cash and cash equivalents	34.3	(77.2)	(2.2)
Increase (decrease) in cash and cash equivalents	(380.1)	135.3	657.4
Cash and cash equivalents, beginning of year	4,782.5	4,647.2	3,989.8
Cash and Cash Equivalents, End of Year	**$ 4,402.4**	**$ 4,782.5**	**$ 4,647.2**
Supplemental Disclosure of Cash Flow Information			
Cash paid for income taxes	$ 233.2	$ 467.5	$ 498.0
Cash paid for interest	121.9	133.3	116.6
Cash paid for interest by consolidated investment products	379.2	148.2	102.8

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Significant Accounting Policies

Business. Franklin is a holding company with subsidiaries operating under its Franklin Templeton and/or subsidiary brand names. The Company provides investment management and related services to investors in jurisdictions worldwide through investment products which include sponsored funds, as well as institutional and high-net-worth separate accounts, retail separately managed account programs, sub-advised products, and other investment vehicles. The Company's related services include fund administration, sales and distribution, and shareholder servicing.

Basis of Presentation. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Management believes that the accounting estimates are appropriate, and the resulting balances are reasonable; however, due to the inherent uncertainties in making estimates, actual amounts may differ from these estimates.

Consolidation. The consolidated financial statements include the accounts of Franklin and its subsidiaries and consolidated investment products ("CIPs") in which it has a controlling financial interest. The Company has a controlling financial interest when it owns a majority of the voting interest in a voting interest entity ("VOE") or is the primary beneficiary of a variable interest entity ("VIE"). Intercompany accounts and transactions have been eliminated.

A VIE is an entity in which the equity investment holders have not contributed sufficient capital to finance its activities or do not have defined rights and obligations normally associated with an equity investment. The Company's VIEs are primarily investment products, and its variable interests consist of its equity ownership interests in and investment management fees earned from these products.

The Company is the primary beneficiary of a VIE if it has the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses of or right to receive benefits from the VIE that could potentially be significant to the VIE. Investment management fees earned from VIEs are excluded from the primary beneficiary determination if they are deemed to be at market and commensurate with service.

Related Parties include sponsored funds and equity method investees. A substantial amount of the Company's operating revenues and receivables are from related parties.

Earnings per Share. Basic and diluted earnings per share are computed using the two-class method, which considers participating securities as a separate class of shares. The Company's participating securities consist of its nonvested stock and stock unit awards that contain nonforfeitable rights to dividends or dividend equivalents. Basic earnings per share is computed by dividing net income available to the Company's common stockholders, adjusted to exclude earnings allocated to participating securities, by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed on the basis of the weighted-average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period.

Business combinations are accounted for by recognizing the acquired assets, including separately identifiable intangible assets, and assumed liabilities at their acquisition-date estimated fair values. Any excess of the purchase consideration over the acquisition-date fair values of these identifiable assets and liabilities is recognized as goodwill. During the measurement period, which is not to exceed one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed due to new information about facts that existed as of the acquisition date, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in earnings.

Intangible assets acquired in business combinations consist primarily of investment management contracts and trade names. The fair values of the acquired management contracts are based on the net present value of estimated future cash flows attributable to the contracts, which include significant assumptions about forecasts of the AUM growth rate, pre-tax profit margin, discount rate, average effective fee rate and effective tax rate. The fair value of trade names is determined using the relief from royalty method based on net present value of estimated future cash flows, which include significant assumptions about royalty rate, revenue growth rate, discount rate and effective tax rate. The management contract intangible assets are amortized over their estimated useful lives, which range from three to 16 years, using the straight-line method, unless the asset is determined to have an indefinite useful life. Indefinite-lived intangible assets represent contracts

to manage investment assets for which there is no foreseeable limit on the contract period. Trade names intangible assets are amortized over their estimated useful lives which range from five to twenty years using the straight-line method. Amortization and impairment are recognized in general, administrative and other expenses.

Goodwill and indefinite-lived intangible assets are tested for impairment annually as of August 1 and when an event occurs or circumstances change that more likely than not reduce the fair value of the related reporting unit or indefinite-lived intangible asset below its carrying value. The Company has one reporting unit, investment management and related services, consistent with its single operating segment, to which all goodwill has been assigned.

Goodwill and indefinite-lived intangible assets may first be assessed for qualitative factors to determine whether it is necessary to perform a quantitative impairment test. The qualitative analysis considers entity-specific and macroeconomic factors and their potential impact on the key assumptions used in the determination of the fair value of the reporting unit or indefinite-lived intangible asset. A quantitative impairment test is performed if the results of the qualitative assessment indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying value or an indefinite-lived intangible asset is impaired, or if a qualitative assessment is not performed.

The fair values of the reporting unit and indefinite-lived intangible assets are based on the net present value of estimated future cash flows, which include assumptions about the AUM growth rate, pre-tax profit margin, discount rate, average effective fee rate and effective tax rate.

If a quantitative goodwill impairment test indicates that the carrying value of the reporting unit exceeds its fair value, impairment is recognized in the amount of the difference in values not to exceed the total amount of goodwill allocated to the reporting unit.

If a quantitative indefinite-lived intangible assets impairment test indicates that the carrying value of the asset exceeds the fair value, impairment is recognized in the amount of the difference in values.

Definite-lived intangible assets are tested for impairment quarterly. Impairment is indicated when the carrying value of an asset is not recoverable and exceeds its fair value. Recoverability is evaluated based on estimated undiscounted future cash flows using assumptions about the AUM growth rate, pre-tax profit margin, average effective fee rate and expected useful lives as well as royalty rate for trade name intangible assets. If the carrying value of an asset is not recoverable through undiscounted cash flows, impairment is recognized in the amount by which the carrying value exceeds the asset's fair value, as determined by discounted cash flows or other methods as appropriate for the asset type.

Fair Value Measurements. The Company uses a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based on whether the inputs to those valuation techniques are observable or unobservable. The three levels of fair value hierarchy are set forth below. The assessment of the hierarchy level of the assets or liabilities measured at fair value is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities, which may include published net asset values ("NAV") for fund products.
Level 2	Observable inputs other than Level 1 quoted prices, such as non-binding quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or model-based valuation methodologies that utilize significant assumptions that are observable or corroborated by observable market data.
Level 3	Unobservable inputs that are supported by little or no market activity. These inputs require significant management judgment and reflect the Company's estimation of assumptions that market participants would use in pricing the asset or liability.

Quoted market prices may be adjusted if events occur, such as significant price changes in proxies traded in relevant markets after the close of corresponding markets, trade halts or suspensions, or unscheduled market closures. These proxies consist of correlated country-specific exchange-traded securities, such as futures, American Depositary Receipts indices or exchange-traded funds. The price adjustments are primarily determined based on third-party factors derived from model-based valuation techniques for which the significant assumptions are observable in the market.

The Company's investments are primarily recorded at fair value or amounts that approximate fair value on a recurring basis. Investments in fund products for which fair value is estimated using NAV as a practical expedient (when

the NAV is available to the Company as an investor but is not publicly available) are not classified in the fair value hierarchy. Fair values are estimated for disclosure purposes for financial instruments that are not measured at fair value.

Cash and Cash Equivalents primarily consist of nonconsolidated sponsored money market funds and deposits with financial institutions and are carried at cost. Due to the short-term nature and liquidity of these financial instruments, their carrying values approximate fair value.

The Company maintains cash and cash equivalents with financial institutions in various countries, limits the amount of credit exposure with any given financial institution and conducts ongoing evaluations of the creditworthiness of the financial institutions with which it does business.

Receivables consist primarily of fees receivable from investment products and are carried at invoiced amounts. Due to the short-term nature and liquidity of the receivables, their carrying values approximate fair value.

Investments consist of investments in sponsored funds and separate accounts, investments related to long-term incentive plans, other equity and debt securities, investments in equity method investees and other investments.

Investments in sponsored funds and separate accounts consist primarily of nonconsolidated sponsored funds and to a lesser extent, separate accounts. Sponsored funds and separate accounts are carried at fair value with changes in the fair value recognized as gains and losses in earnings. The fair values of fund products are determined based on their published NAV or estimated using NAV as a practical expedient. The fair values of the underlying investments of the separate accounts are determined using quoted market prices, or independent third-party broker or dealer price quotes if quoted market prices are not available.

Investments related to long-term incentive plans consist primarily of investments in sponsored funds related to certain compensation plans that have vesting provision and are carried at fair value. Changes in fair value are recognized as gains and losses in earnings. The fair values of the investments are determined based on the sponsored funds' published NAV or estimated using NAV as a practical expedient.

Other equity and debt investments consist of equity and debt securities carried at fair value. Changes in the fair value of equity securities other than fund products are recognized as gains and losses in earnings. The fair values of equity and debt securities are determined using independent third-party broker or dealer price quotes or based on either a market-based or income-based approach using significant unobservable inputs. The fair values of fund products are determined based on their published NAV or estimated using NAV as a practical expedient.

Investments in Equity Method Investees consist of equity investments in entities, including sponsored funds, over which the Company is able to exercise significant influence, but not control. Significant influence is generally considered to exist when the Company's ownership interest in the investee is between 20% and 50%, although other factors, such as representation on the investee's board of directors and the impact of commercial arrangements, also are considered in determining whether the equity method of accounting is appropriate. Investments in limited partnerships and limited liability companies are accounted for using the equity method when the Company's investment is more than minor or when the Company is the general partner. Under the equity method of accounting, the investments are initially carried at cost and subsequently adjusted by the Company's proportionate share of the entities' net income, which is recognized in earnings.

Other Investments consist of equity investments in entities over which the Company is unable to exercise significant influence and do not have a readily determinable fair value, and time deposits with maturities greater than three months from the date of purchase. The equity investments are measured at cost adjusted for observable price changes and impairment, if any, which are recognized in earnings. The fair value of the entities is generally estimated using significant unobservable inputs in either a market-based or income-based approach. The time deposits are carried at cost which approximates fair value due to their short-term nature and liquidity.

Impairment of Investments. Investments in equity method investees and equity investments that do not have a readily determinable fair value are evaluated for impairment on a quarterly basis. The evaluation of equity investments considers qualitative factors, including the financial condition and specific events related to an investee that may indicate the fair value of the investment is less than its carrying value. Impairment of equity securities is recognized in earnings.

Cash and Cash Equivalents of CIPs consist of highly liquid investments, including money market funds, which are readily convertible into cash, and deposits with financial institutions, and are carried at cost. Due to the short-term nature and liquidity of these financial instruments, their carrying values approximate fair value.

Receivables of CIPs consist of investment and share transaction related receivables and are carried at transacted amounts. Due to the short-term nature and liquidity of the receivables, their carrying values approximate fair value.

Investments of CIPs consist of marketable debt and equity securities and other investments that are not generally traded in active markets and are carried at fair value. Changes in the fair value of the investments are recognized as gains and losses in earnings. The fair values of marketable securities are determined using quoted market prices, or independent third-party broker or dealer price quotes if quoted market prices are not available.

The investments that are not generally traded in active markets consist of equity and debt securities of entities in emerging markets, fund products, other equity and debt instruments, and loans. The fair values are determined using significant unobservable inputs in either a market-based or income-based approach, except for fund products, for which fair values are estimated using NAV as a practical expedient.

Property and Equipment, net are recorded at cost and depreciated using the straight-line method over their estimated useful lives which range from three to 35 years. Expenditures for repairs and maintenance are charged to expense when incurred. Leasehold improvements are amortized using the straight-line method over their estimated useful lives or the lease term, whichever is shorter.

Internal and external costs incurred in connection with developing or obtaining software for internal use are capitalized and amortized over the shorter of the estimated useful lives of the software or the license terms, beginning when the software project is complete and the application is put into production.

Property and equipment are tested for impairment when there is an indication that the carrying value of an asset may not be recoverable. Carrying values are not recoverable when the undiscounted cash flows estimated to be generated by the assets are less than their carrying values. When an asset is determined to not be recoverable, the impairment is measured based on the excess, if any, of the carrying value of the asset over its respective fair value. Fair value is determined by discounted future cash flows models, appraisals or other applicable methods.

Leases consist primarily of operating leases relating to real estate. At the inception of a contract, the Company determines whether it is or contains a lease, which includes consideration of whether there are identified assets in the contract and if the Company has control over such assets. Right-of-use ("ROU") assets and lease liabilities are recognized for all arrangements that qualify as a lease, except for those with original lease terms of twelve months or less.

ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments using an incremental borrowing rate estimated on a collateralized basis with similar terms for the specific interest rate environment. Leases with fixed payments are expensed on a straight-line basis over the lease term. Variable lease payments based on usage, changes in an index or market rate are expensed as incurred. The lease terms include options to extend or terminate the lease when it is reasonably certain they will be exercised.

Lease and nonlease payment components are accounted for separately. ROU assets are tested for impairment when there is an indication that the carrying value of an asset may not be recoverable.

Debt consists of senior notes which are carried at amortized cost. The fair value is estimated using quoted market prices, independent third-party broker or dealer price quotes, or prices of publicly traded debt with similar maturities, credit risk and interest rates. Amortization of debt premium and discount are recognized over the terms of the notes in interest expense.

Debt of CIPs is carried at amortized cost. The fair value is estimated using a discounted cash flow model that considers current interest rate levels, the quality of the underlying collateral and current economic conditions. Debt of CIPs also included debt of consolidated collateralized loan obligations ("CLOs") which was measured primarily based on the fair value of the assets of the CLOs less the fair value of the Company's own economic interests in the CLOs.

Noncontrolling Interests consist of third-party equity interests in CIPs and minority interests in certain subsidiaries. Noncontrolling interests that are redeemable or convertible for cash or other assets at the option of the holder are classified as temporary equity at the higher of fair value on reporting date or issuance-date fair value. Changes in fair value of redeemable noncontrolling interest is recognized as an adjustment to retained earnings. Nonredeemable noncontrolling interests are classified as a component of equity. Net income (loss) attributable to third-party investors is reflected as net income (loss) attributable to nonredeemable and redeemable noncontrolling interests in the consolidated statements of income. Sales and redemptions of shares of CIPs by third-party investors are a component of the change in noncontrolling interests included in financing activities in the consolidated statements of cash flows.

The fair values of third-party equity interests in CIPs are determined based on the published NAV or estimated using NAV a practical expedient. The fair values of redeemable noncontrolling interests related to minority interest in certain subsidiaries are determined using discounted cash flows and guideline public company methods, which include significant assumptions about forecasts of the AUM growth rate, pre-tax profit margin, discount rate and public company earnings multiples.

Revenues. The Company earns revenue primarily from providing investment management and related services to its customers, which are generally investment products or investors in separate accounts. Related services include fund administration, sales and distribution, and shareholder servicing. Revenues are recognized when the Company's obligations related to the services are satisfied and it is probable that a significant reversal of the revenue amount would not occur in future periods. The obligations are satisfied over time as the services are rendered, except for the sales and distribution obligations for the sale of shares of sponsored funds which are satisfied on trade date. Multiple services included in customer contracts are accounted for separately when the obligations are determined to be distinct.

Fees from providing investment management and fund administration services ("investment management fees"), other than performance-based investment management fees, are determined based on a percentage of AUM, primarily on a monthly basis using daily average AUM, and are recognized as the services are performed over time. Performance-based investment management fees are generally generated when investment products' performance exceeds targets established in customer contracts. These fees are recognized when the amount is no longer probable of significant reversal and may relate to investment management services that were provided in prior periods.

Sales and distribution fees primarily consist of upfront sales commissions and ongoing distribution fees. Sales commissions are based on contractual rates for sales of certain classes of sponsored funds and are recognized on trade date. Distribution service fees are determined based on a percentage of AUM, primarily on a monthly basis using daily average AUM. As the fee amounts are uncertain on trade date, they are recognized over time as the amounts become known and may relate to sales and distribution services provided in prior periods.

Shareholder servicing fees are primarily determined based on a percentage of AUM on a monthly basis using daily average AUM and either the number of transactions in shareholder accounts or the number of shareholder accounts, while fees from certain investment products are based only on AUM. The fees are recognized as the services are performed over time.

AUM is generally based on the fair value of the underlying securities held by investment products and is calculated using fair value methods derived primarily from unadjusted quoted market prices, unadjusted independent third-party broker or dealer price quotes in active markets, or market prices or price quotes adjusted for observable price movements after the close of the primary market in accordance with the Company's global valuation and pricing policy. The fair values of securities for which market prices are not readily available are valued internally using various methodologies which incorporate significant unobservable inputs as appropriate for each security type and represent an insignificant percentage of total AUM.

Revenue is recorded gross of payments made to third-party service providers in the Company's role as principal as it controls the delegated services provided to customers.

Stock-Based Compensation. The fair value of stock-based payment awards is estimated on the date of grant based on the market price of the underlying shares of the Company's common stock and is amortized to compensation expense on a straight-line basis over the related vesting period, which is generally three years. Expense relating to awards subject to performance conditions is recognized if it is probable that the conditions will be achieved. The probability of achievement is assessed on a quarterly basis. Forfeitures are accounted for as they occur. The fair value of cash-settled phantom stock

awards is amortized to compensation expense on a straight-line basis over the related vesting period, which is generally four years, and the related liability is carried at fair value.

Postretirement Benefits. Defined contribution plan costs are expensed as incurred.

Income Taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and the reported amounts in the consolidated financial statements using the statutory tax rates in effect for the year when the reported amount of the asset or liability is expected to be recovered or settled, respectively. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income tax expense in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying values of deferred tax assets to the amount that is more likely than not to be realized. In assessing whether a valuation allowance should be established against a deferred income tax asset, the Company considers all positive and negative evidence, which includes timing of expiration, projected sources of taxable income, limitations on utilization under the statute and the effectiveness of prudent and feasible tax planning strategies among other factors. For each tax position taken or expected to be taken in a tax return, the Company utilizes significant judgment related to the range of possible favorable or unfavorable outcomes to determine whether it is more likely than not that the position will be sustained upon examination based on the technical merits of the position, including resolution of any related appeals or litigation. A tax position that meets the more likely than not recognition threshold is measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement. Interest on tax matters is recognized in interest expense and penalties in other operating expenses.

The Company operates in numerous countries, states and other taxing jurisdictions. The income tax laws are complex and subject to different interpretations by the taxpayer and the relevant taxing authorities. Significant judgment is required in the determination of the Company's annual income tax provisions, which includes the assessment of deferred tax assets and uncertain tax positions, as well as the interpretation and application of existing and newly enacted tax laws, regulation changes, and new judicial rulings. The Company repatriates foreign earnings that are in excess of regulatory, capital or operational requirements of all of its non-U.S. subsidiaries.

Foreign Currency Translation and Transactions. Assets and liabilities of non-U.S. subsidiaries for which the local currency is the functional currency are translated at current exchange rates as of the end of the accounting period. The related revenues and expenses are translated at average exchange rates in effect during the period. Net exchange gains and losses resulting from translation are excluded from income and are recorded as part of accumulated other comprehensive income (loss). Transactions denominated in a foreign currency are revalued at the current exchange rate at the transaction date and any related gains and losses are recognized in earnings.

Note 2 – **Acquisition**

BNY Alcentra Group Holdings, Inc.

On November 1, 2022, the Company acquired all of the outstanding ownership interests in BNY Alcentra Group Holdings, Inc. (together with its subsidiaries "Alcentra") from The Bank of New York Mellon Corporation. Total purchase price consisted of cash consideration of $594.1 million, which includes $188.3 million for certain securities held in Alcentra's collateralized loan obligations ("CLOs"); deferred consideration of $62.0 million which was paid on November 1, 2023; and contingent consideration to be paid upon the achievement of certain performance thresholds over the next four years of up to $350.0 million that has an acquisition-date fair value of $24.6 million. The consideration paid was funded from existing cash. During the quarter ended March 31, 2023, cash consideration increased by $6.8 million due to a net working capital adjustment and deferred consideration increased by $1.6 million.

The following table summarizes the initial and revised estimated fair value amounts recognized for the assets acquired and liabilities assumed and resulting goodwill as of the acquisition date:

(in millions) **as of November 1, 2022**	**Initial Estimated Fair Value**	**Adjustments**	**Revised Estimated Fair Value**
Cash and cash equivalents	$ 93.6	$ —	$ 93.6
Receivables	57.2	(8.8)	48.4
Investments	285.3	1.6	286.9
Goodwill	152.6	52.7	205.3
Indefinite-lived intangible assets	89.9	—	89.9
Definite-lived intangible assets	55.7	—	55.7
Other assets	9.0	3.1	12.1
Deferred tax liabilities	—	(36.7)	(36.7)
Compensation and benefits and other liabilities	(71.0)	(3.5)	(74.5)
Total Identifiable Net Assets	**$ 672.3**	**$ 8.4**	**$ 680.7**

The adjustments to the initial estimated fair values are a result of new information obtained about the facts that existed as of the acquisition date. The purchase price allocation is preliminary and subject to change during the measurement period, which is not to exceed one year from the acquisition date. At this time, the Company does not expect material changes to the assets acquired or liabilities assumed.

The goodwill is primarily attributable to expected growth opportunities from the combined operations and is not deductible for tax purposes. The definite-lived intangible assets relate to acquired investment management contracts and trade names, which are amortized over their estimated useful lives ranging from 3.0 years to 10.0 years. Amortization expense related to the definite-lived intangible assets was $12.8 million for the fiscal year ended September 30, 2023 (“fiscal year 2023”). Costs incurred in connection with the acquisition were $14.1 million for the fiscal year ended September 30, 2023.

Alcentra contributed $158.0 million of operating revenue and did not have a material impact to net income attributable to Franklin Resources, Inc. for the fiscal year ended September 30, 2023. Consequently, the Company has not presented pro forma combined results of operations for this acquisition.

In connection with the acquisition, the Company on December 15, 2022 entered into repurchase agreements with a third-party financing company for certain securities held by the Company in Alcentra’s CLOs. As of September 30, 2023, other liabilities includes repurchase agreements of $164.2 million with maturity values of €132.3 million and $42.4 million in local currency. The Company has pledged Alcentra investments with a carrying value of $171.3 million as collateral as of September 30, 2023. The repurchase agreements have contractual maturity dates ranging between 2029 to 2034.

Note 3 – Earnings per Share

The components of basic and diluted earnings per share were as follows:

(in millions, except per share data) **for the fiscal years ended September 30,**	**2023**	**2022**	**2021**
Net income attributable to Franklin Resources, Inc.	$ 882.8	$ 1,291.9	$ 1,831.2
Less: allocation of earnings to participating nonvested stock and stock unit awards	37.7	54.1	77.7
Net Income Available to Common Stockholders	**$ 845.1**	**$ 1,237.8**	**$ 1,753.5**
Weighted-average shares outstanding – basic	490.0	488.7	489.9
Dilutive effect of nonparticipating nonvested stock unit awards	0.8	0.6	0.7
Weighted-Average Shares Outstanding – Diluted	**490.8**	**489.3**	**490.6**
Earnings per Share			
Basic	$ 1.72	$ 2.53	$ 3.58
Diluted	1.72	2.53	3.57

Nonparticipating nonvested stock unit awards excluded from the calculation of diluted earnings per share because their effect would have been antidilutive were insignificant for fiscal year 2023 and the fiscal year ended September 30, 2022 ("fiscal year 2022"). No nonparticipating nonvested stock unit awards were excluded for the fiscal year ended September 30, 2021 ("fiscal year 2021").

Note 4 – Revenues

Operating revenues by geographic area were as follows:

(in millions) **for the fiscal year ended September 30, 2023**	**United States**	**Luxembourg**	**Asia-Pacific**	**Americas Excluding United States**	**Europe, Middle East and Africa, Excluding Luxembourg**	**Total**
Investment management fees	$ 4,877.1	$ 803.9	$ 285.6	$ 216.2	$ 270.1	$ 6,452.9
Sales and distribution fees	847.3	296.0	19.8	40.6	—	1,203.7
Shareholder servicing fees	118.7	31.5	2.2	0.3	—	152.7
Other	37.7	0.8	1.2	—	0.4	40.1
Total	**$ 5,880.8**	**$ 1,132.2**	**$ 308.8**	**$ 257.1**	**$ 270.5**	**$ 7,849.4**

(in millions) **for the fiscal year ended September 30, 2022**	**United States**	**Luxembourg**	**Asia-Pacific**	**Americas Excluding United States**	**Europe, Middle East and Africa, Excluding Luxembourg**	**Total**
Investment management fees	$ 4,926.6	$ 901.1	$ 309.6	$ 246.5	$ 233.0	$ 6,616.8
Sales and distribution fees	997.7	341.8	25.5	50.0	—	1,415.0
Shareholder servicing fees	153.8	36.0	1.4	0.2	1.6	193.0
Other	48.1	1.0	0.7	0.5	0.2	50.5
Total	**$ 6,126.2**	**$ 1,279.9**	**$ 337.2**	**$ 297.2**	**$ 234.8**	**$ 8,275.3**

(in millions) for the fiscal year ended September 30, 2021	United States	Luxembourg	Asia-Pacific	Americas Excluding United States	Europe, Middle East and Africa, Excluding Luxembourg	Total
Investment management fees	$ 4,647.7	$ 1,075.0	$ 333.3	$ 285.6	$ 200.0	$ 6,541.6
Sales and distribution fees	1,137.4	395.8	46.1	52.5	3.7	1,635.5
Shareholder servicing fees	164.7	36.1	6.6	0.2	3.6	211.2
Other	29.2	1.0	1.9	—	5.1	37.2
Total	**$ 5,979.0**	**$ 1,507.9**	**$ 387.9**	**$ 338.3**	**$ 212.4**	**$ 8,425.5**

Operating revenues are attributed to geographic areas based on the locations of the subsidiaries that provide the services, which may differ from the regions in which the related investment products are sold.

Revenues earned from sponsored funds were 82%, 81% and 81% of the Company's total operating revenues for the fiscal years 2023, 2022 and 2021.

Note 5 – Investments

The disclosures below include details of the Company's investments, excluding those of CIPs. See Note 10 – Consolidated Investment Products for information related to the investments held by these entities.

Investments consisted of the following:

(in millions) as of September 30,	2023	2022
Investments, at fair value		
Sponsored funds and separate accounts	$ 630.5	$ 413.0
Investments related to long-term incentive plans	191.6	143.3
Other equity and debt investments	50.7	57.2
Total investments, at fair value	872.8	613.5
Investments in equity method investees	1,089.2	771.5
Other investments	260.0	266.3
Total	**$ 2,222.0**	**$ 1,651.3**

Note 6 – Fair Value Measurements

The disclosures below include details of the Company's fair value measurements, excluding those of CIPs. See Note 10 – Consolidated Investment Products for information related to fair value measurements of the assets and liabilities of these entities.

The assets and liabilities measured at fair value on a recurring basis were as follows:

(in millions) **as of September 30, 2023**	**Level 1**	**Level 2**	**Level 3**	**NAV as a Practical Expedient**	**Total**
Assets					
Investments, at fair value					
Sponsored funds and separate accounts	$ 356.5	$ 211.9	$ 18.5	$ 43.6	$ 630.5
Investments related to long-term incentive plans	168.2	—	—	23.4	191.6
Other equity and debt investments	3.4	11.3	3.3	32.7	50.7
Total Assets Measured at Fair Value	**$ 528.1**	**$ 223.2**	**$ 21.8**	**$ 99.7**	**$ 872.8**
Liabilities					
Securities sold short	$ 158.3	$ —	$ —	$ —	$ 158.3
Contingent consideration liabilities	—	—	55.0	—	55.0
Total Liabilities Measured at Fair Value	**$ 158.3**	**$ —**	**$ 55.0**	**$ —**	**$ 213.3**

(in millions) **as of September 30, 2022**	**Level 1**	**Level 2**	**Level 3**	**NAV as a Practical Expedient**	**Total**
Assets					
Investments, at fair value					
Sponsored funds and separate accounts	$ 289.5	$ 55.4	$ 14.1	$ 54.0	$ 413.0
Investments related to long-term incentive plans	143.3	—	—	—	143.3
Other equity and debt investments	3.1	19.4	2.7	32.0	57.2
Contingent consideration asset	—	—	9.8	—	9.8
Total Assets Measured at Fair Value	**$ 435.9**	**$ 74.8**	**$ 26.6**	**$ 86.0**	**$ 623.3**
Liabilities					
Contingent consideration liabilities	$ —	$ —	$ 31.6	$ —	$ 31.6

Investments for which fair value was estimated using reported NAV as a practical expedient primarily consist of nonredeemable private debt, equity and infrastructure funds, and redeemable alternative credit, global equity and private real estate funds. These investments were as follows:

(in millions) as of September 30,	2023	2022
Nonredeemable investments[1]		
Investments with known liquidation periods	$ 32.1	$ 32.8
Investments with unknown liquidation periods	17.4	29.4
Redeemable investments[2]	50.2	23.8
Unfunded commitments	43.1	51.4

1 The investments are expected to be returned through distributions over the life of the funds as a result of liquidations of the funds' underlying assets. Investments with known liquidation periods have an expected weighted-average life of 2.9 years and 3.4 years at September 30, 2023 and 2022.

2 Investments are redeemable on a semi-monthly, monthly and quarterly basis.

Financial instruments that were not measured at fair value were as follows:

(in millions) as of September 30,	Fair Value Level	2023 Carrying Value	2023 Estimated Fair Value	2022 Carrying Value	2022 Estimated Fair Value
Financial Assets					
Cash and cash equivalents	1	$ 3,686.4	$ 3,686.4	$ 4,134.9	$ 4,134.9
Other investments					
Time deposits	2	9.9	9.9	9.4	9.4
Equity securities	3	250.1	250.1	256.9	256.9
Financial Liability					
Debt	2	$ 3,052.8	$ 2,419.4	$ 3,376.4	$ 2,750.1

Note 7 – Property and Equipment

Property and equipment, net consisted of the following:

(in millions) as of September 30,	2023	2022	Useful Lives In Years
Buildings and leasehold improvements	$ 932.9	$ 894.3	5-35
Software	379.1	414.0	3-10
Equipment and furniture	366.7	314.0	3-10
Land	78.7	78.7	N/A
Total cost	1,757.4	1,701.0	
Less: accumulated depreciation and amortization	(957.3)	(957.7)	
Property and Equipment, Net	**$ 800.1**	**$ 743.3**	

Depreciation and amortization expense related to property and equipment was $108.2 million, $108.1 million and $124.4 million in fiscal years 2023, 2022 and 2021. The Company recognized no impairment of property and equipment in

fiscal years 2023, 2022 and 2021.

Note 8 – Goodwill and Other Intangible Assets

Goodwill and other intangible assets, net consisted of the following:

(in millions) as of September 30,	2023	2022
Goodwill	$ 6,003.8	$ 5,778.6
Indefinite-lived intangible assets	3,672.1	3,574.4
Definite-lived intangible assets, net	1,230.1	1,507.7
Goodwill and Other Intangible Assets, Net	**$ 10,906.0**	**$ 10,860.7**

Changes in the carrying value of goodwill were as follows:

(in millions) for the fiscal years ended September 30,	2023	2022
Balance at beginning of year	$ 5,778.6	$ 4,457.7
Acquisitions	152.6	1,367.6
Purchase price allocation adjustment	62.0	(9.3)
Foreign exchange revaluation	10.6	(37.4)
Balance at End of Year	**$ 6,003.8**	**$ 5,778.6**

During fiscal years 2023 and 2022, no impairment of goodwill was recognized.

The Company recognized insignificant impairments of indefinite-lived intangible assets during fiscal years 2023 and 2022 due to declines in market prices of crypto assets.

Definite-lived intangible assets were as follows:

	2023			2022		
(in millions) as of September 30,	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Management contracts	$ 1,822.5	$ (824.3)	$ 998.2	$ 1,774.2	$ (514.4)	$ 1,259.8
Trade names	310.1	(82.8)	227.3	294.3	(53.8)	240.5
Developed software	14.4	(9.8)	4.6	14.4	(7.0)	7.4
Total	$ 2,147.0	$ (916.9)	$ 1,230.1	$ 2,082.9	$ (575.2)	$ 1,507.7

No impairment of definite-lived intangible assets was recognized during fiscal years 2023 and 2022.

Definite-lived intangible assets had a weighted-average remaining useful life of 5.9 years at September 30, 2023, with estimated remaining amortization expense as follows:

(in millions) for the fiscal years ending September 30,	Amount
2024	$ 333.7
2025	320.7
2026	244.3
2027	110.2
2028	64.7
Thereafter	156.5
Total	**$ 1,230.1**

Note 9 – Debt

The disclosures below include details of the Company's debt, excluding that of CIPs. See Note 10 – Consolidated Investment Products for information related to the debt of these entities.

Debt consisted of the following:

(in millions) **as of September 30,**	**2023**	**Effective Interest Rate**	**2022**	**Effective Interest Rate**
Debt of Franklin Resources, Inc.				
$400 million 2.850% senior notes due March 2025	$ 399.9	2.97 %	$ 399.8	2.97 %
$850 million 1.600% senior notes due October 2030	847.1	1.74 %	846.7	1.74 %
$350 million 2.950% senior notes due August 2051	347.9	3.00 %	347.9	3.00 %
$300 million term loan due September 2025	—	N/A	300.0	3.50 %
Total debt of Franklin Resources, Inc.	1,594.9		1,894.4	
Debt of Legg Mason (a subsidiary of Franklin)				
$250 million 3.950% senior notes due July 2024	254.7	1.53 %	260.6	1.53 %
$450 million 4.750% senior notes due March 2026	482.9	1.80 %	496.2	1.80 %
$550 million 5.625% senior notes due January 2044	730.2	3.38 %	736.3	3.38 %
Total debt of Legg Mason	1,467.8		1,493.1	
Debt issuance costs	(9.9)		(11.1)	
Total	**$ 3,052.8**		**$ 3,376.4**	

On July 25, 2023, the Company terminated its 364-day $500.0 million revolving credit facility and its 3-year $300.0 million term loan. On the date of termination, the 364-day revolving credit facility had no amounts outstanding and all amounts outstanding under the term loan were repaid with existing cash. Concurrently, the Company entered into a 5-year $800.0 million revolving credit facility. As of the time of this filing, there were no borrowings outstanding under the 5-year credit facility.

At September 30, 2023, the Company had $500.0 million of short-term commercial paper available for issuance under an uncommitted private placement program which has been inactive since 2012.

At September 30, 2023, Franklin's outstanding senior unsecured unsubordinated notes had an aggregate principal amount due of $1,600.0 million. The notes have fixed interest rates with interest payable semi-annually.

At September 30, 2023, Legg Mason's outstanding senior unsecured unsubordinated notes had an aggregate principal amount due of $1,250.0 million. The notes have fixed interest rates with interest payable semi-annually. Franklin unconditionally and irrevocably guarantees all of the outstanding notes issued by Legg Mason.

The Franklin and Legg Mason senior notes contain an optional redemption feature that allows the Company to redeem each series of notes prior to maturity in whole or in part at any time, at a make-whole redemption price. The indentures governing the senior notes contain limitations on the Company's ability and the ability of its subsidiaries to pledge voting stock or profit participating equity interests in its subsidiaries to secure other debt without similarly securing the notes equally and ratably. In addition, the indentures include requirements that must be met if the Company consolidates or merges with, or sells all or substantially all of its assets to another entity. The new revolving credit facility contains a financial performance covenant requiring that the Company maintain a consolidated net leverage ratio, measured as of the last day of each fiscal quarter, of no greater than 3.25 to 1.00. The Company was in compliance with all covenants at September 30, 2023.

Note 10 – Consolidated Investment Products

CIPs consist of mutual and other investment funds, limited partnerships and similar structures, and CLOs, all of which are sponsored by the Company, and include both VOEs and VIEs. The Company had 70 CIPs, including 20 CLOs, as of September 30, 2023 and 59 CIPs, including 15 CLOs, as of September 30, 2022.

The balances related to CIPs included in the Company's consolidated balance sheets were as follows:

(in millions)

as of September 30,	2023	2022
Assets		
Cash and cash equivalents	$ 716.0	$ 647.6
Receivables	166.7	134.0
Investments, at fair value	9,637.2	7,898.1
Total Assets	**$ 10,519.9**	**$ 8,679.7**
Liabilities		
Accounts payable and accrued expenses	$ 349.7	$ 646.9
Debt	8,231.8	5,457.7
Other liabilities	25.1	175.0
Total liabilities	8,606.6	6,279.6
Redeemable Noncontrolling Interests	580.1	942.2
Stockholders' Equity		
Franklin Resources, Inc.'s interests	1,033.9	960.8
Nonredeemable noncontrolling interests	299.3	497.1
Total stockholders' equity	1,333.2	1,457.9
Total Liabilities, Redeemable Noncontrolling Interests and Stockholders' Equity	**$ 10,519.9**	**$ 8,679.7**

The CIPs did not have a significant impact on net income attributable to the Company in fiscal years 2023, 2022 and 2021.

The Company has no right to the CIPs' assets, other than its direct equity investments in them and investment management and other fees earned from them. The debt holders of the CIPs have no recourse to the Company's assets beyond the level of its direct investment, therefore the Company bears no other risks associated with the CIPs' liabilities.

Fair Value Measurements

Assets of CIPs measured at fair value on a recurring basis were as follows:

(in millions)

as of September 30, 2023	Level 1	Level 2	Level 3	NAV as a Practical Expedient	Total
Assets					
Cash and cash equivalents of CLOs	$ 352.3	$ —	$ —	$ —	$ 352.3
Receivables of CLOs	—	116.7	—	—	116.7
Investments					
Equity and debt securities	210.9	642.6	584.9	154.0	1,592.4
Loans	—	8,044.8	—	—	8,044.8
Total Assets Measured at Fair Value	**$ 563.2**	**$ 8,804.1**	**$ 584.9**	**$ 154.0**	**$ 10,106.2**

(in millions) as of September 30, 2022	Level 1	Level 2	Level 3	NAV as a Practical Expedient	Total
Assets					
Cash and cash equivalents of CLOs	$ 269.1	$ —	$ —	$ —	$ 269.1
Receivables of CLOs	—	67.4	—	—	67.4
Investments					
Equity and debt securities	75.4	881.0	555.8	173.5	1,685.7
Loans	—	5,704.4	239.4	—	5,943.8
Real estate	—	—	268.6	—	268.6
Total Assets Measured at Fair Value	**$ 344.5**	**$ 6,652.8**	**$ 1,063.8**	**$ 173.5**	**$ 8,234.6**

Investments for which fair value was estimated using reported NAV as a practical expedient consist of a redeemable global hedge fund, a redeemable U.S. equity fund and nonredeemable private equity funds. These investments were as follows:

(in millions) as of September 30,	2023	2022
Nonredeemable investments[1]		
Investments with known liquidation periods	$ —	$ 19.5
Investments with unknown liquidation periods	21.8	12.0
Redeemable investments[2]	132.2	142.0
Unfunded commitments[3]	—	0.2

1 The investments are expected to be returned through distributions over the life of the funds as a result of liquidations of the funds' underlying assets. As of September 30, 2023, there were no investments with known liquidation periods. Investments with known liquidation periods have an expected weighted-average life of 0.3 years at September 30, 2022.

2 Investments are redeemable on a monthly basis and liquidation periods are unknown.

3 As of September 30, 2023, there were no investments with unfunded commitments. Of the total unfunded commitments, the Company was contractually obligated to fund $0.1 million based on its ownership percentage in the CIPs, at September 30, 2022.

Changes in Level 3 assets were as follows:

(in millions) for the fiscal year ended September 30, 2023	Equity and Debt Securities	Real Estate	Loans	Total Level 3 Assets
Balance at beginning of year	$ 555.8	$ 268.6	$ 239.4	$ 1,063.8
Gains (losses) included in investment and other income (losses) of consolidated investment products, net	(47.6)	(9.0)	0.2	(56.4)
Purchases	91.9	86.1	58.4	236.4
Sales	(25.3)	—	(3.3)	(28.6)
Net consolidations (deconsolidations)	10.4	(345.7)	(293.0)	(628.3)
Transfers into Level 3	—	—	3.6	3.6
Transfers out of Level 3	(0.3)	—	(5.3)	(5.6)
Balance at End of Year	**$ 584.9**	**$ —**	**$ —**	**$ 584.9**
Change in unrealized losses included in net income relating to assets held at end of year	$ (46.3)	$ —	$ —	$ (46.3)

(in millions) **for the fiscal year ended September 30, 2022**	**Equity and Debt Securities**	**Real Estate**	**Loans**	**Total Level 3 Assets**
Balance at beginning of year	$ 453.3	$ 89.4	$ 20.5	$ 563.2
Gains included in investment and other income (losses) of consolidated investment products, net	106.0	29.2	0.1	135.3
Purchases	177.5	150.0	14.0	341.5
Sales	(119.7)	—	(1.3)	(121.0)
Net consolidations (deconsolidations)	(52.1)	—	200.4	148.3
Transfers into Level 3	0.1	—	5.7	5.8
Transfers out of Level 3	(9.3)	—	—	(9.3)
Balance at End of Year	**$ 555.8**	**$ 268.6**	**$ 239.4**	**$ 1,063.8**
Change in unrealized gains included in net income relating to assets held at end of year	$ 101.1	$ 29.2	$ —	$ 130.3

Valuation techniques and significant unobservable inputs used in Level 3 fair value measurements were as follows:

(in millions)

as of September 30, 2023	**Fair Value**	**Valuation Technique**	**Significant Unobservable Inputs**	**Range (Weighted Average[1])**
Equity and debt securities	$ 238.9	Market comparable companies	Enterprise value/ Revenue multiple	11.4–13.5 (12.1)
			Discount for lack of marketability	11.2%–13.6% (12.2%)
	346.0	Market pricing	Private sale pricing	$0.01–$1,000.00 ($23.88) per share
			Discount for lack of marketability	21.9%

(in millions)

as of September 30, 2022	**Fair Value**	**Valuation Technique**	**Significant Unobservable Inputs**	**Range (Weighted Average[1])**
Equity and debt securities	$ 555.8	Market pricing	Private sale pricing	$0.01–$558.45 ($33.31) per share
			Discount for lack of marketability	23.5%–25.1% (24.9%)
Real estate	268.6	Discounted cash flow	Discount rate	4.5%–6.3% (5.1%)
			Exit capitalization rate	5.5%–6.8% (6.0%)
Loans	147.2	Market pricing	Price	$0.97–$0.98 ($0.98)
	60.4	Discounted cash flow	Discount rate	9.9%
	31.9	Yield capitalization	Credit spread	6.3%
			Loan-to-value ratio	79.1%–88.1% (83.1%)

[1] Based on the relative fair value of the instruments.

If the relevant significant inputs used in the market-based valuations, other than discount for lack of marketability, were independently higher (lower) as of September 30, 2023, the resulting fair value of the assets would be higher (lower). If the relevant significant inputs used in the discounted cash flow or yield capitalization valuations, as well as the discount for lack of marketability used in the market-based valuations, were independently higher (lower) as of September 30, 2023, the resulting fair value of the assets would be lower (higher).

Financial instruments of CIPs that were not measured at fair value were as follows:

(in millions) as of September 30,	Fair Value Level	2023 Carrying Value	2023 Estimated Fair Value	2022 Carrying Value	2022 Estimated Fair Value
Financial Asset					
Cash and cash equivalents	1	$ 363.7	$ 363.7	$ 378.5	$ 378.5
Financial Liabilities					
Debt of CLOs[1]	2 or 3	8,210.0	8,013.2	5,408.0	5,548.8
Other debt	3	21.8	8.6	49.7	42.4

[1] Substantially all was Level 2.

Debt

Debt of CIPs consisted of the following:

(in millions) as of September 30,	2023 Amount	2023 Weighted-Average Effective Interest Rate	2022 Amount	2022 Weighted-Average Effective Interest Rate
Debt of CLOs	$ 8,210.0	7.12%	$ 5,408.0	2.78%
Other debt	21.8	6.00%	49.7	5.19%
Total	**$ 8,231.8**		**$ 5,457.7**	

The debt of CIPs had fixed and floating interest rates ranging from 2.39% to 15.49% at September 30, 2023, and from 1.42% to 8.51% at September 30, 2022. The floating rates were based on the London Interbank Offered Rate ("LIBOR") and Secured Overnight Financing Rate ("SOFR"). As a result of the phase-out of LIBOR, effective July 1, 2023, our reference rates are transitioning to SOFR.

The contractual maturities for debt of CIPs at September 30, 2023 were as follows:

(in millions) for the fiscal years ending September 30,	Amount
2024	$ 28.7
2025	—
2026	—
2027	—
2028	—
Thereafter	8,203.1
Total	**$ 8,231.8**

Collateralized Loan Obligations

The unpaid principal balance and fair value of the investments of CLOs were as follows:

(in millions) as of September 30,	2023	2022
Unpaid principal balance	$ 8,317.5	$ 6,118.4
Difference between unpaid principal balance and fair value	(120.7)	(356.1)
Fair Value	**$ 8,196.8**	**$ 5,762.3**

Investments 90 days or more past due were immaterial at September 30, 2023 and September 30, 2022.

During fiscal years 2023 and 2022, the Company recognized $19.0 million and $22.6 million of net gains related to its own economic interests in the CLOs. The aggregate principal amount due of the debt of CLOs was $8,281.5 million and $5,781.3 million at September 30, 2023 and 2022.

Note 11 – Redeemable Noncontrolling Interests

Changes in redeemable noncontrolling interests were as follows:

(in millions)

for the fiscal years ended September 30, 2023, 2022 and 2021	CIPs	Minority Interests	Total
Balance at October 1, 2020	$ 397.3	$ 144.6	$ 541.9
Net income	63.8	30.3	94.1
Net subscriptions (distributions) and other	531.4	(23.6)	507.8
Net deconsolidations	(370.0)	—	(370.0)
Adjustment to fair value	—	159.2	159.2
Balance at September 30, 2021	**$ 622.5**	**$ 310.5**	**$ 933.0**
Net income (loss)	(106.1)	59.2	(46.9)
Net subscriptions (distributions) and other	244.5	(49.2)	195.3
Net consolidations	181.3	—	181.3
Adjustment to fair value	—	263.1	263.1
Balance at September 30, 2022	**$ 942.2**	**$ 583.6**	**$ 1,525.8**
Net income	77.4	58.1	135.5
Net subscriptions (distributions) and other	605.5	(86.3)	519.2
Net deconsolidations	(1,045.0)	—	(1,045.0)
Adjustment to fair value	—	(109.4)	(109.4)
Balance at September 30, 2023	**$ 580.1**	**$ 446.0**	**$ 1,026.1**

Note 12 – Nonconsolidated Variable Interest Entities

VIEs for which the Company is not the primary beneficiary consist of sponsored funds and other investment products in which the Company has an equity ownership interest. The Company's maximum exposure to loss from these VIEs consists of equity investments, investment management and other fee receivables as follows:

(in millions)

as of September 30,	2023	2022
Investments	$ 925.9	$ 718.0
Receivables	206.1	165.4
Total	**$ 1,132.0**	**$ 883.4**

While the Company has no legal or contractual obligation to do so, it routinely makes cash investments in the course of launching sponsored funds. As it has done in the past, the Company also may voluntarily elect to provide its sponsored funds with additional direct or indirect financial support based on its business objectives. The Company did not provide financial or other support to its sponsored funds during fiscal years 2023 and 2022.

Note 13 – Taxes on Income

Taxes on income were as follows:

(in millions) for the fiscal years ended September 30,	2023	2022	2021
Current expense			
Federal	$ 148.1	$ 174.6	$ 226.7
State	55.6	45.0	50.3
Non-U.S.	67.1	78.6	68.9
Deferred expense	41.5	98.0	3.7
Total	**$ 312.3**	**$ 396.2**	**$ 349.6**

Income before taxes consisted of the following:

(in millions) for the fiscal years ended September 30,	2023	2022	2021
U.S.	$ 896.9	$ 1,427.2	$ 1,682.6
Non-U.S.	518.8	302.2	761.6
Total	**$ 1,415.7**	**$ 1,729.4**	**$ 2,444.2**

The significant components of deferred tax assets and deferred tax liabilities were as follows:

(in millions) as of September 30,	2023	2022
Deferred Tax Assets		
Capitalized mixed service costs	$ 167.5	$ 278.0
Net operating loss and state credit carry-forwards	331.8	258.8
Deferred compensation and benefits	193.8	157.3
Foreign tax credit carry-forwards	99.0	109.4
Debt premium	54.6	60.4
Other	135.7	150.8
Total deferred tax assets	982.4	1,014.7
Valuation allowance	(292.9)	(258.3)
Deferred tax assets, net of valuation allowance	689.5	756.4
Deferred Tax Liabilities		
Goodwill and other purchased intangibles	918.0	907.7
Other	90.0	93.7
Total deferred tax liabilities	1,008.0	1,001.4
Net Deferred Tax Liability	**$ 318.5**	**$ 245.0**

Deferred income tax assets and liabilities that relate to the same tax jurisdiction are presented net on the consolidated balance sheets. The components of the net deferred tax liability were classified in the consolidated balance sheets as follows:

(in millions) as of September 30,	2023	2022
Other assets	$ 131.9	$ 102.8
Deferred tax liabilities	450.4	347.8
Net Deferred Tax Liability	**$ 318.5**	**$ 245.0**

Included in the Company's net deferred tax liability were the deferred tax effects associated with the fair value of assets acquired and liabilities assumed from the acquisition of Legg Mason and acquired attributes that carry over to post-acquisition tax periods, including U.S. state and foreign net operating losses and foreign tax credits. Utilization of the U.S. state net operating losses and federal credit carry-forwards may be subject to annual limitations due to ownership change provisions under Section 382 of the Internal Revenue Code. Foreign tax credits can only be used to offset tax attributable to foreign source income.

At September 30, 2023, there were $121.3 million of non-U.S. tax effected net operating loss carry-forwards which expire between fiscal years 2024 and 2042. In addition, there were $151.8 million in tax effected state net operating loss carry-forwards that expire between fiscal years 2024 and 2043, with some having an indefinite carry-forward period. The Company also has federal net operating losses of $9.7 million, the majority of which will carry-forward indefinitely and $99.0 million of foreign tax credit carry-forwards that expire between fiscal years 2024 and 2030.

The valuation allowance increased $34.6 million in fiscal year 2023, primarily related to non-US net operating loss utilization. The valuation allowance decreased $61.0 million in fiscal year 2022 primarily related to state and non-US net operating loss utilization and US foreign tax credit utilization. At September 30, 2023, the valuation allowance of $292.9 million was related to $177.6 million for federal, state, and foreign net operating loss carry-forwards, $70.8 million due to uncertainty of realizing the benefit of foreign tax credits, $24.3 million for capital losses, $11.2 million for other state deferred taxes and $9.0 million for other foreign deferred taxes.

A reconciliation of the amount of tax expense at the federal statutory rate and taxes on income as reflected in the consolidated statements of income is as follows:

(in millions)

for the fiscal years ended September 30,	**2023**		**2022**		**2021**	
Federal taxes at statutory rate	$ 297.3	21.0 %	$ 363.2	21.0 %	$ 513.3	21.0 %
State taxes, net of federal tax effect	71.3	5.0 %	45.6	2.6 %	60.8	2.5 %
Tax reserve release on audit settlement, net of valuation allowance[1]	(11.4)	(0.8 %)	(5.3)	(0.3 %)	(126.8)	(5.2 %)
Effect of net income attributable to noncontrolling interests	(38.3)	(2.7 %)	(8.6)	(0.5 %)	(55.3)	(2.3 %)
Effect of non-U.S. operations	(14.7)	(1.0 %)	13.0	0.8 %	(30.4)	(1.2 %)
Capital loss on investments, net of valuation allowance[2]	(8.8)	(0.6 %)	—	—	(12.4)	(0.5 %)
Foreign tax credit valuation allowance release[3]	7.2	0.5 %	(20.6)	(1.2 %)	—	—
Other	9.7	0.7 %	8.9	0.5 %	0.4	—
Tax Provision	**$ 312.3**	**22.1 %**	**$ 396.2**	**22.9 %**	**$ 349.6**	**14.3 %**

1 The Company released a tax reserve in fiscal year 2021 following the close of an IRS audit of the transition tax for fiscal year 2018.

2 The Company recognized a tax benefit in fiscal year 2021 for capital losses that were realized from sales of investments. These capital losses can be carried forward, for which the Company has assessed for realizability.

3 The Company released a valuation allowance on foreign tax credit in fiscal year 2022 due to additional foreign source income from foreign investments.

A reconciliation of the beginning and ending balances of gross unrecognized tax benefits is as follows:

(in millions)

for the fiscal years ended September 30,	2023	2022	2021
Balance at beginning of year	$ 168.7	$ 184.3	$ 342.9
Additions for tax positions of prior years	6.1	2.5	4.2
Reductions for tax positions of prior years	(14.9)	(16.0)	(163.6)
Tax positions related to the current year	13.3	18.4	22.2
Settlements with taxing authorities	(19.9)	(0.4)	(3.2)
Expirations of statute of limitations	(14.5)	(20.1)	(18.2)
Balance at End of Year	**$ 138.8**	**$ 168.7**	**$ 184.3**

If recognized, $132.2 million for 2023, $161.9 million for 2022 and $173.4 million for 2021 would favorably affect the Company's effective income tax rate in future periods.

The Company accrues interest and penalties related to unrecognized tax benefits in interest expense and general, administrative and other expenses. Accrued interest on uncertain tax positions at September 30, 2023 and 2022 was $29.5 million and $24.8 million, and is not presented in the unrecognized tax benefits table above. Accrued penalties at September 30, 2023 and 2022 were $2.1 million and $4.4 million.

The Company files a consolidated U.S. federal income tax return, multiple U.S. state and local income tax returns, and income tax returns in multiple non-U.S. jurisdictions. The Company is subject to examination by the taxing authorities in these jurisdictions. The Company's major tax jurisdictions and the tax years for which the statutes of limitations have not expired are as follows: India 2003 to 2023; Brazil 2008 to 2023, Canada 2018 to 2023; Australia 2019 to 2023, Hong Kong 2017 to 2023; Singapore 2018 to 2023; Luxembourg 2019 to 2023; U.K. 2020 to 2023; U.S. federal 2020 to 2023; the City of New York 2016 to 2023; the State of New York 2018 to 2023; the State of New Jersey 2019 to 2023; and the States of California and Florida 2020 to 2023.

The Company has ongoing litigation and examinations in various stages, U.S. federal for the fiscal year ended September 30, 2020, in the States of California and New York, and City of New York, and in Brazil, Canada and India. Examination outcomes and the timing of settlements are subject to significant uncertainty. Such settlements may involve some or all of the following: the payment of additional taxes, the adjustment of deferred taxes and/or the recognition of unrecognized tax benefits. The Company has recognized a tax benefit only for those positions that meet the more-likely-than-not recognition threshold. It is reasonably possible that the total unrecognized tax benefit as of September 30, 2023 could decrease by an estimated $12.0 million within the next twelve months as a result of the expiration of statutes of limitations in the U.S. federal and certain U.S. state and local and non-U.S. tax jurisdictions, and potential settlements with U.S. states and non-U.S. taxing authorities.

The Tax Cuts and Jobs Act which was enacted into law in the U.S. in December 2017, includes various changes to the tax law, including a permanent reduction in the corporate income tax rate and assessment of a one-time transition tax on the deemed repatriation of post-1986 undistributed foreign subsidiaries' earnings. The payment for the Company's remaining federal portion of the transition tax liability were as follows:

(in millions)

for the fiscal years ending September 30,	Amount
2024	$ 138.9
2025	185.2
2026	231.6
Total	**$ 555.7**

Note 14 – Leases

Lessee Arrangements

The Company's leases generally include one or more options to renew. Lease expense was as follows:

(in millions) **for the fiscal years ended September 30,**	**2023**	**2022**	**2021**
Operating lease cost	$ 124.1	$ 127.9	$ 141.4
Variable lease cost	5.8	8.3	21.2
Finance lease cost	0.6	0.2	0.4
Less: sublease income	(25.0)	(26.7)	(24.6)
Total lease expense	**$ 105.5**	**$ 109.7**	**$ 138.4**

Supplemental cash flow information related to leases was as follows:

(in millions) **for the fiscal years ended September 30,**	**2023**	**2022**	**2021**
Operating cash flows from operating leases included in the measurement of operating lease liabilities	$ 125.6	$ 130.5	$ 133.7
ROU assets obtained in exchange for new/modified operating lease liabilities	45.4	53.4	18.7

The weighted-average remaining lease term and weighted-average discount rate for operating lease liabilities were as follows:

(in millions) **as of September 30,**	**2023**	**2022**
Weighted-average remaining lease term	8.0 years	7.3 years
Weighted-average discount rate	3.2 %	2.5 %

The maturities of the liabilities were as follows:

(in millions) **for the fiscal years ending September 30,**	**Amount**
2024	$ 95.2
2025	72.4
2026	57.3
2027	53.5
2028	48.4
Thereafter	216.0
Total lease payments	542.8
Less: interest	(75.0)
Operating lease liabilities	**$ 467.8**

Lessor Arrangements

The Company leases excess owned space in its San Mateo, California corporate headquarters and other office buildings, primarily in the U.S., to third parties, and generally include one or more options to renew. The Company subleases excess leased office spaces to various firms, primarily in the U.S., and generally include options to renew or terminate within a specified period.

The maturities of lease payments due to the Company as of September 30, 2023 were as follows:

(in millions)

for the fiscal years ending September 30,	Subleases	Leases
2024	$ 7.8	$ 46.8
2025	1.0	47.3
2026	0.5	46.2
2027	0.3	38.9
2028	—	25.9
Thereafter	—	76.9
Total	**$ 9.6**	**$ 282.0**

Note 15 – Commitments and Contingencies

Legal Proceedings

India Credit Fund Closure Matters. Effective April 24, 2020, Franklin Templeton Trustee Services Private Limited ("FTTS"), a subsidiary of Franklin, announced its decision to wind up six fixed income mutual fund schemes of the Franklin Templeton Mutual Fund in India (referred to herein as the "Funds"), closing the Funds to redemptions. At the time, the Funds had collective AUM of INR 25,648.3 crore (approximately $3.4 billion). In connection with the wind-up decision, FTTS sought to convene unitholder meetings for the Funds to approve the appointment of a liquidator, and the asset management company to the Funds, Franklin Templeton Asset Management (India) Private Limited ("FTAMI"), ceased earning investment management fees on the Funds.

In May and June 2020, certain Fund unitholders and others challenged the wind-up decision by filing legal petitions in India against a number of respondents, including Franklin, its subsidiaries FTTS, FTAMI, and Templeton International, Inc., as sponsor of the Franklin Templeton Mutual Fund, and related individuals (collectively, the "Company Respondents"), the Securities and Exchange Board of India ("SEBI"), and other governmental entities. The petitioners alleged that the Company Respondents violated various SEBI regulations, mismanaged the Funds, misrepresented or omitted certain information relating to the Funds, and/or engaged in other alleged misconduct. The petitioners requested a wide range of relief, including, among other items, an order quashing the winding up notices and blocking the unitholder votes, initiating investigations into the Company Respondents, and allowing the unitholder petitioners to redeem their investments with interest. An interim injunction order staying the operation and implementation of the unitholder voting process was issued and the petitions were transferred to the High Court of Karnataka for further consolidated proceedings. The court upheld the decision taken by FTTS to wind up the Funds while finding that unitholder approval was required to implement the decision. Cross appeals from the judgment were then filed in the Supreme Court of India. In the interim, FTTS proceeded to obtain approval from the majority of the voting unitholders for winding up the six Funds and in February 2021, the Supreme Court confirmed the results and appointed a third-party asset manager to serve as the liquidator and begin cash distributions to unitholders. The additional issues on appeal remain pending.

As of September 2023, all performing securities across the Funds have been liquidated and an aggregate of INR 27,508.1 crore (approximately $3.3 billion) has been distributed to Fund unitholders, exceeding the aggregate value of the Funds' AUM at the date of the wind-up announcement, reported above.

Separately, following the completion of a forensic audit/inspection, in late November and early December 2020, SEBI initiated regulatory proceedings by issuing show cause notices against FTAMI, FTTS and certain FTAMI employees (including in their officer or director capacities), alleging certain deficiencies and areas of non-compliance in the management of the Funds. In June 2021, SEBI issued orders against FTAMI, FTTS, and the FTAMI employee respondents, finding violations of certain regulatory provisions, including with respect to similarity in investment strategies among the Funds, calculation of duration and valuation of portfolio securities, deficiencies in documentation relating to investment diligence and investment terms, and portfolio risk management. SEBI's orders include, as applicable, aggregate monetary penalties of INR 20.0 crore (approximately $2.4 million); disgorgement of investment management and advisory fees, together with interest through the date of SEBI's order, totaling INR 512.5 crore (approximately $61.7 million), with continuing accrual of 12% interest until paid; and a prohibition on FTAMI from launching new fixed income funds in India for a two-year period, which has since concluded. The respondents filed appeals, as well as applications to stay

enforcement of SEBI's orders pending resolution of the appeals, with the Securities Appellate Tribunal (the "SAT") in India, which stay applications were granted in June and July 2021, subject to respondents' deposit in escrow of a portion of the ordered penalties for an aggregate deposit made of INR 257.5 crore (approximately $34.7 million). The SAT appeals remain pending.

The Company has also responded to related inquiries and investigations commenced by certain governmental agencies in India that remain pending, including a "first information report" (the preliminary step in an investigation) registered by the Economic Offences Wing of the Chennai police department in or around September 2020 against certain of the Company Respondents in connection with a complaint by certain Fund unitholders, as well as a related investigation by India's Enforcement Directorate commenced in or around April 2021.

The Company strongly believes that the decision taken by FTTS to wind up the Funds was in the best interests of unitholders and allowed for the orderly liquidation and distribution of Fund assets as described above. The Company further believes that it has meritorious defenses to the outstanding claims in the pending proceedings and intends to continue vigorously defending against the claims. The Company cannot at this time predict the eventual outcome of the matters described above or reasonably estimate the possible loss or range of loss that may arise from any final outcome of such matters, including due to the complexities and uncertainty involved in the appeals and the various questions of law and fact at issue.

Other Litigation Matters. The Company is from time to time involved in other litigation relating to claims arising in the normal course of business. Management is of the opinion that the ultimate resolution of such claims will not materially affect the Company's business, financial position, results of operations or liquidity. In management's opinion, an adequate accrual has been made as of September 30, 2023 to provide for any probable losses that may arise from such matters for which the Company could reasonably estimate an amount.

Indemnifications and Guarantees

In the ordinary course of business or in connection with certain acquisition agreements, the Company enters into contracts that provide for indemnifications by the Company in certain circumstances. In addition, certain Company entities guarantee certain financial and performance-related obligations of various Franklin subsidiaries. The Company is also subject to certain legal requirements and agreements providing for indemnifications of directors, officers and personnel against liabilities and expenses they may incur under certain circumstances in connection with their service. The terms of these indemnities and guarantees vary pursuant to applicable facts and circumstances, and from agreement to agreement. Future payments for claims against the Company under these indemnities or guarantees could negatively impact the Company's financial condition. In management's opinion, no material loss was deemed probable or reasonably possible pursuant to such indemnification agreements and/or guarantees as of September 30, 2023.

Other Commitments and Contingencies

While the Company has no legal or contractual obligation to do so, it routinely makes cash investments in the course of launching sponsored funds. At September 30, 2023, the Company had $305.6 million of committed capital contributions which relate to discretionary commitments to invest in sponsored funds and other investment products and entities, including CIPs. These unfunded commitments are not recorded in the Company's consolidated balance sheet.

Note 16 – Stock-Based Compensation

The Company's stock-based compensation plans consist of the Amended and Restated Annual Incentive Compensation Plan (the "AIP"), the 2002 Universal Stock Incentive Plan, as amended and restated (the "USIP"), the amended and restated Franklin Resources, Inc. 1998 Employee Stock Investment Plan (the "ESIP"), and the Amended and Restated Franklin Resources, Inc. 2017 Equity Incentive Plan (the "EIP").

Stock-based compensation expenses were as follows:

(in millions) **for the fiscal years ended September 30,**	**2023**	**2022**	**2021**
Stock and stock unit awards	$ 174.7	$ 200.8	$ 165.2
Phantom unit awards	33.2	13.5	30.4
Employee stock investment plan	7.9	7.4	6.7
Total	**$ 215.8**	**$ 221.7**	**$ 202.3**

Stock and Stock Unit Awards

Under the terms of the AIP, eligible employees may receive cash, equity awards and/or mutual fund unit awards generally based on the performance of the Company and/or its funds, and the individual employee. The USIP and EIP provide for the issuance of the Company's common stock for various stock-related awards to officers, directors and employees. There are 140.0 million and 23.0 million shares authorized under the USIP and EIP. At September 30, 2023, 12.2 million shares and 14.7 million shares were available for grant under the USIP and EIP.

Stock awards entitle holders to the right to sell the underlying shares of the Company's common stock once the awards vest. Stock unit awards entitle holders to receive the underlying shares of common stock once the awards vest. Awards vest based on the passage of time or the achievement of predetermined Company financial performance goals.

Stock and stock unit award activity was as follows:

(shares in thousands) **for the fiscal year ended September 30, 2023**	**Time-Based Shares**	**Performance-Based Shares**	**Total Shares**	**Weighted-Average Grant-Date Fair Value**
Nonvested balance at beginning of year	13,492	3,401	16,893	$ 24.04
Granted	7,024	271	7,295	22.74
Vested	(7,334)	(335)	(7,669)	24.68
Forfeited/canceled	(400)	(238)	(638)	25.10
Nonvested Balance at End of Year	**12,782**	**3,099**	**15,881**	**$ 23.09**

Total unrecognized compensation expense related to nonvested stock and stock unit awards was $160.5 million at September 30, 2023. This expense is expected to be recognized over a remaining weighted-average vesting period of 1.4 years. The weighted-average grant-date fair values of stock awards and stock unit awards granted during fiscal years 2023, 2022 and 2021 were $22.74, $34.20 and $21.08 per share. The total fair value of stock and stock unit awards vested during the same periods was $210.4 million, $147.8 million and $121.2 million.

The Company may repurchase shares in connection with vesting of stock and stock unit awards. Also, in order to pay taxes due in connection with the vesting of employee and executive officer stock and stock unit awards, shares are repurchased using a net stock issuance method.

Employee Stock Investment Plan

The ESIP allows eligible participants to buy shares of the Company's common stock at a discount of its market value on defined dates. A total of 1.0 million shares were issued under the ESIP during fiscal year 2023, and 2.7 million shares were reserved for future issuance at September 30, 2023.

Note 17 – Defined Contribution Plans

The Company sponsors a 401(k) plan which covers substantially all U.S. employees meeting certain employment requirements. Participants may contribute up to 50% of their eligible salary and up to 100% of the cash portion of their year-end bonus, as defined by the plan and subject to Internal Revenue Code limitations, each year to the plan. The Company makes a matching contribution equal to 85% of eligible compensation contributed by participants. Certain of the Company's non-U.S. subsidiaries also sponsor defined contribution plans primarily for the purpose of providing deferred compensation incentives for employees and to comply with local regulatory requirements. The total expenses recognized for defined contribution plans were $93.0 million, $84.9 million and $81.4 million for fiscal years 2023, 2022 and 2021.

Note 18 – Segment and Geographic Information

The Company has one operating segment, investment management and related services. See Note 4 – Revenues for total operating revenues disaggregated by geographic location.

(in millions)

as of September 30,	2023	2022
Property and Equipment, Net		
United States	$ 640.8	$ 588.5
Europe, Middle East and Africa	124.0	115.4
Asia-Pacific	29.7	32.8
Americas excluding United States	5.6	6.6
Total	**$ 800.1**	**$ 743.3**

Note 19 – Investment and Other Income, Net

Investment and other income, net consisted of the following:

(in millions)

for the fiscal years ended September 30,	2023	2022	2021
Dividend and interest income	$ 159.9	$ 37.9	$ 17.6
Gains (losses) on investments, net	39.5	(75.4)	90.9
Income from investments in equity method investees	123.1	36.2	154.3
Gains (losses) on derivatives, net	(15.1)	20.9	(23.2)
Rental income	46.3	37.9	28.8
Foreign currency exchange (losses) gains, net	(26.7)	40.6	(11.9)
Other, net	13.0	(7.0)	8.2
Investment and Other Income, Net	**$ 340.0**	**$ 91.1**	**$ 264.7**

Substantially all dividend income was generated by investments in nonconsolidated sponsored funds. Gains (losses) on investments, net consists primarily of realized and unrealized gains (losses) on equity securities measured at fair value.

Net gains (losses) recognized on equity securities measured at fair value and trading debt securities that were held by the Company at September 30, 2023, 2022 and 2021 were $66.1 million, $(128.9) million, and $46.5 million.

Note 20 – Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) by component were as follows:

(in millions) as of and for the fiscal years ended September 30, 2023, 2022 and 2021	Currency Translation Adjustments	Unrealized Losses on Defined Benefit Plans	Unrealized Gains on Investments	Total
Balance at October 1, 2020	**$ (399.6)**	**$ (8.0)**	**$ —**	**$ (407.6)**
Other comprehensive income				
Other comprehensive income before reclassifications, net of tax	27.1	1.6	—	28.7
Reclassifications to compensation and benefits expense, net of tax	—	(0.7)	—	(0.7)
Reclassifications to net investment and other income, net of tax	2.0	—	—	2.0
Total other comprehensive income	29.1	0.9	—	30.0
Balance at September 30, 2021	**$ (370.5)**	**$ (7.1)**	**$ —**	**$ (377.6)**
Other comprehensive income (loss)				
Other comprehensive income (loss) before reclassifications, net of tax	(246.8)	2.3	0.4	(244.1)
Reclassifications to compensation and benefits expense, net of tax	—	(1.5)	—	(1.5)
Reclassifications to net investment and other income, net of tax	2.2	—	—	2.2
Total other comprehensive income (loss)	(244.6)	0.8	0.4	(243.4)
Balance at September 30, 2022	**$ (615.1)**	**$ (6.3)**	**$ 0.4**	**$ (621.0)**
Other comprehensive income (loss)				
Other comprehensive income (loss) before reclassifications, net of tax	108.5	(0.6)	0.2	108.1
Reclassifications to compensation and benefits expense, net of tax	—	(0.7)	—	(0.7)
Reclassifications to net investment and other income, net of tax	4.3	—	—	4.3
Total other comprehensive income (loss)	112.8	(1.3)	0.2	111.7
Balance at September 30, 2023	**$ (502.3)**	**$ (7.6)**	**$ 0.6**	**$ (509.3)**

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

The Company's management evaluated, with the participation of the Company's principal executive and principal financial officers, the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of September 30, 2023. Based on their evaluation, the Company's principal executive and principal financial officers concluded that the Company's disclosure controls and procedures as of September 30, 2023 were designed and are functioning effectively to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms, and (ii) accumulated and communicated to management, including the principal executive and principal financial officers, as appropriate, to allow timely decisions regarding disclosure.

There has been no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company's fiscal quarter ended September 30, 2023, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm are set forth in Item 8 of Part II of this Annual Report on Form 10-K, which is incorporated herein by reference.

The effectiveness of the Company's internal control over financial reporting as of September 30, 2023 has been audited by PricewaterhouseCoopers LLP, the independent registered public accounting firm that audits the Company's consolidated financial statements, as stated in their report which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of September 30, 2023.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item 10 with respect to executive officers of Franklin is contained at the end of Part I of this Annual Report under the heading "Information About Our Executive Officers."

Code of Ethics. Franklin has adopted a Code of Ethics and Business Conduct (the "Code of Ethics") that applies to Franklin's principal executive officer, principal financial officer, principal accounting officer, controller, and any persons performing similar functions, as well as all directors, officers and employees of Franklin and its subsidiaries and affiliates. The Code of Ethics is posted on our website at www.franklinresources.com under "Corporate Governance." A copy of the Code of Ethics is available in print free of charge to any stockholder who requests a copy. Interested parties may address a written request for a printed copy of the Code of Ethics to: Secretary, Franklin Resources, Inc., One Franklin Parkway, San Mateo, California 94403-1906. We intend to satisfy the disclosure requirement regarding any amendment to, or a waiver from, a provision of the Code of Ethics for Franklin's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website.

The other information required by this Item 10 is incorporated by reference from the information to be provided under the sections titled "Proposal No. 1: Election of Directors" and "Information about the Board and its Committees – The Audit Committee" from Franklin's definitive proxy statement for its annual meeting of stockholders to be filed with the SEC within 120 days after September 30, 2023 ("2024 Proxy Statement").

Item 11. Executive Compensation.

The information required by this Item 11 is incorporated by reference from the information to be provided under the sections of our 2024 Proxy Statement titled "Director Fees," "Compensation Discussion and Analysis" and "Executive Compensation."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item 12 is incorporated by reference from the information to be provided under the sections of our 2024 Proxy Statement titled "Stock Ownership of Certain Beneficial Owners," "Stock Ownership and Stock-Based Holdings of Directors and Executive Officers" and "Executive Compensation – Equity Compensation Plan Information."

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item 13 is incorporated by reference from the information to be provided under the sections of our 2024 Proxy Statement titled "Proposal No. 1: Election of Directors – General," "Corporate Governance – Director Independence Standards" and "Certain Relationships and Related Transactions."

Item 14. Principal Accountant Fees and Services.

The information required by this Item 14 is incorporated by reference from the information to be provided under the section of our 2024 Proxy Statement titled "Fees Paid to Independent Registered Public Accounting Firm."

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a)(1) The financial statements filed as part of this report are listed in Item 8 of this Annual Report.

(a)(2) No financial statement schedules are required to be filed as part of this report because all such schedules have been omitted. Such omission has been made on the basis that information is provided in the financial statements, or in the related notes thereto, in Item 8 of this Annual Report or is not required to be filed as the information is not applicable.

(a)(3) The exhibits listed on the Exhibit Index to this Annual Report are incorporated herein by reference.

Item 16. Form 10-K Summary.

None.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Certificate of Incorporation of Registrant, as filed November 28, 1969, incorporated by reference to Exhibit (3)(i) to our Annual Report on Form 10-K for the fiscal year ended September 30, 1994 (File No. 001-09318) (the "1994 Annual Report")
3.2	Certificate of Amendment of Certificate of Incorporation of Registrant, as filed March 1, 1985, incorporated by reference to Exhibit 3(ii) to the 1994 Annual Report
3.3	Certificate of Amendment of Certificate of Incorporation of Registrant, as filed April 1, 1987, incorporated by reference to Exhibit 3(iii) to the 1994 Annual Report
3.4	Certificate of Amendment of Certificate of Incorporation of Registrant, as filed February 2, 1994, incorporated by reference to Exhibit 3(iv) to the 1994 Annual Report
3.5	Certificate of Amendment of Certificate of Incorporation of Registrant, as filed February 4, 2005, incorporated by reference to Exhibit (3)(i)(e) to our Quarterly Report on Form 10-Q for the period ended December 31, 2004 (File No. 001-09318)
3.6	Amended and Restated Bylaws of Registrant (as adopted and effective June 29, 2021), incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on July 1, 2021 (File No. 001-09318)
4.1	Indenture, dated as of May 19, 1994, between Registrant and The Bank of New York Mellon Trust Company, N.A. (as successor to Chemical Bank), as trustee, incorporated by reference to Exhibit 4 to our Registration Statement on Form S-3 filed on April 14, 1994 (File No. 033-53147)
4.2	First Supplemental Indenture, dated October 9, 1996, between Registrant and The Bank of New York Mellon Trust Company, N.A. (as successor to The Chase Manhattan Bank), as trustee, incorporated by reference to Exhibit 4.2 to our Registration Statement on Form S-3 filed on October 4, 1996 (File No. 333-12101)
4.3	Second Supplemental Indenture, dated May 20, 2010, between Registrant and The Bank of New York Mellon Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on May 20, 2010 (File No. 001-09318)
4.4	Fourth Supplemental Indenture, dated March 30, 2015 (inclusive of the form of note of Registrant's 2.850% Notes due 2025), between Registrant and The Bank of New York Mellon Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed on March 30, 2015 (File No. 001-09318)
4.5	Indenture, dated as of October 6, 2020, between Registrant and The Bank of New York Mellon Trust Company, N.A., as trustee, incorporated by reference to Exhibit 4.3 to our Registration Statement on Form S-3ASR filed on October 6, 2020 (File No. 033-249350)
4.6	Officer's Certificate, dated October 19, 2020 (inclusive of the form of note of Registrant's 1.600% Notes due 2030), incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed on October 19, 2020 (File No. 011-09318)
4.7	Base Indenture, dated as of January 22, 2014, for Senior Notes between Legg Mason, Inc. and The Bank of New York Mellon, as trustee, incorporated by reference to Exhibit 4.1 to Legg Mason's Registration Statement on Form S-3ASR filed on February 19, 2016 (File No. 333-209616)

Exhibit No.	Description
4.8	First Supplemental Indenture, dated as of January 22, 2014 (inclusive of the form of note of Legg Mason's 5.625% Senior Notes due 2044), between Legg Mason, Inc. and The Bank of New York Mellon, as trustee, incorporated by reference to Exhibit 4.2 to Legg Mason's Current Report on Form 8-K filed on January 22, 2014 (File No. 001-08529)
4.9	Second Supplemental Indenture, dated as of June 26, 2014, between Legg Mason, Inc. and The Bank of New York Mellon, as trustee, incorporated by reference to Exhibit 4.1 to Legg Mason's Current Report on Form 8-K filed on June 26, 2014 (File No. 001-08529)
4.10	Third Supplemental Indenture, dated as of June 26, 2014 (inclusive of the form of note of Legg Mason's 3.950% Senior Notes due 2024), between Legg Mason, Inc. and The Bank of New York Mellon, as trustee, incorporated by reference to Exhibit 4.2 to Legg Mason's Current Report on Form 8-K filed on June 26, 2014 (File No. 001-08529)
4.11	Fourth Supplemental Indenture, dated as of March 22, 2016 (inclusive of the form of note of Legg Mason's 4.750% Senior Notes due 2026), between Legg Mason, Inc. and The Bank New York Mellon, as trustee, incorporated by reference to Exhibit 4.2 to Legg Mason's Current Report on Form 8-K filed on March 22, 2016 (File No. 001-08529)
4.12	Registrant Parent Guarantee dated August 2, 2021, incorporated by reference to Exhibit 4.1 to our Quarterly Report on Form 10-Q for the period ended June 30, 2021 (File No. 001-09318)
4.13	Officer's Certificate, dated August 12, 2021 (inclusive of the form of additional note of Registrant's 1.600% Notes due 2030 and form of note of Registrant's 2.950% Notes due 2051), incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K filed on August 12, 2021 (File No. 011-09318)
4.14	Description of Registrant's Securities, incorporated by reference to Exhibit 4.16 to our Annual Report on Form 10-K for the fiscal year ended September 30, 2020 (File No. 001-09318)
10.1	Credit Agreement, dated as of July 25, 2023, between Registrant, as borrower, the financial institutions from time to time party thereto, as lenders, and Bank of America, N.A., as administrative agent, incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on July 28, 2023 (File No. 001-09318)
10.2	Non-Employee Director Compensation as of October 18, 2023 (filed herewith)*
10.3	Representative Form of Amended and Restated Indemnification Agreement with directors of Registrant, incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q for the period ended March 31, 2006 (File No. 001-09318)*
10.4	2006 Directors Deferred Compensation Plan (as amended and restated effective November 5, 2020), incorporated by reference to Exhibit 10.4 to our Annual Report on Form 10-K for the fiscal year ended September 30, 2020 (File No. 001-09318)*
10.5	1998 Employee Stock Investment Plan (as amended and restated effective June 21, 2022), incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the period ended June 30, 2022 (File No. 001-09318)*
10.6	2002 Universal Stock Incentive Plan (as amended and restated effective February 9, 2021), incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on February 10, 2021 (File No. 001-09318)*
10.7	Amended and Restated Annual Incentive Compensation Plan (as amended and restated effective December 10, 2019), incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the period ended December 31, 2019 (File No. 001-09318)*
10.8	Amended and Restated 2017 Equity Incentive Plan, incorporated by reference to Exhibit 99.1 to our Registration Statement on Form S-8 filed on October 6, 2020 (File No. 333-249336)*
10.9	2023 Restricted Fund Unit Plan (effective October 18, 2023) (filed herewith)*
10.10	Amended and Restated Deferred Compensation Fund Plan (as amended and restated effective August 15, 2023) (filed herewith)*
10.11	Legg Mason, Inc. Amended and Restated Deferred Compensation Fund Plan (as amended and restated effective October 6, 2023) (filed herewith)*
10.12	ClearBridge Investments, LLC Deferred Incentive Plan (as amended and restated effective February 10, 2023) (filed herewith)*
10.13	Representative Forms of Notice of Restricted Stock Unit Award and Restricted Stock Unit Award Agreement (RSU) under our 2002 Universal Stock Incentive Plan for certain time-based awards to executive officers of Registrant (filed herewith)*

Exhibit No.	Description
10.14	Representative Forms of Notice of Restricted Stock Unit Award and Restricted Stock Unit Award Agreement (RSU) under our 2002 Universal Stock Incentive Plan for certain performance-based awards to executive officers of Registrant (filed herewith)*
10.15	Representative Forms of Notice of Restricted Stock Unit Award and Restricted Stock Unit Award Agreement (RSU) under our 2002 Universal Stock Incentive Plan for certain time-based awards to executive officers of Registrant, incorporated by reference to Exhibit 10.12 to our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 (File No. 001-09318)*
10.16	Representative Forms of Notice of Restricted Stock Unit Award and Restricted Stock Unit Award Agreement (RSU) under our 2002 Universal Stock Incentive Plan for certain performance-based awards to executive officers of Registrant, incorporated by reference to Exhibit 10.13 to our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 (File No. 001-09318)*
10.17	Representative Forms of Notice of Restricted Stock Unit Award and Restricted Stock Unit Award Agreement (RSU) under our 2002 Universal Stock Incentive Plan for certain time-based awards to executive officers of Registrant, incorporated by reference to Exhibit 10.15 to our Annual Report on Form 10-K for the fiscal year ended September 30, 2021 (File No. 001-09318)*
10.18	Representative Forms of Notice of Restricted Stock Unit Award and Restricted Stock Unit Award Agreement (RSU) under our 2002 Universal Stock Incentive Plan for certain performance-based awards to executive officers of Registrant, incorporated by reference to Exhibit 10.16 to our Annual Report on Form 10-K for the fiscal year ended September 30, 2021 (File No. 001-09318)*
21	List of Subsidiaries (filed herewith)
23	Consent of Independent Registered Public Accounting Firm (filed herewith)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
97.1	Executive Compensation Clawback Policy of Registrant, incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on October 24, 2023 (File No. 001-09318)*
101	The following materials from Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2023, formatted in Inline Extensible Business Reporting Language (iXBRL), include: (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) related notes (filed herewith)
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)

* Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FRANKLIN RESOURCES, INC.

Date:	November 13, 2023	By:	/s/ Matthew Nicholls
			Matthew Nicholls, Executive Vice President, Chief Financial Officer and Chief Operating Officer
Date:	November 13, 2023	By:	/s/ Gwen L. Shaneyfelt
			Gwen L. Shaneyfelt, Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Date:	November 13, 2023	By:	/s/ Jennifer M. Johnson
			Jennifer M. Johnson, President, Chief Executive Officer and Director (Principal Executive Officer)
Date:	November 13, 2023	By:	/s/ Matthew Nicholls
			Matthew Nicholls, Executive Vice President, Chief Financial Officer and Chief Operating Officer (Principal Financial Officer)
Date:	November 13, 2023	By:	/s/ Gwen L. Shaneyfelt
			Gwen L. Shaneyfelt, Chief Accounting Officer (Principal Accounting Officer)
Date:	November 13, 2023	By:	/s/ Mariann Byerwalter
			Mariann Byerwalter, Director
Date:	November 13, 2023	By:	/s/ Alexander S. Friedman
			Alexander S. Friedman, Director
Date:	November 13, 2023	By:	/s/ Gregory E. Johnson
			Gregory E. Johnson, Executive Chairman, Chairman of the Board and Director
Date:	November 13, 2023	By:	/s/ Rupert H. Johnson, Jr.
			Rupert H. Johnson, Jr., Vice Chairman and Director
Date:	November 13, 2023	By:	/s/ John Y. Kim
			John Y. Kim, Director
Date:	November 13, 2023	By:	/s/ Karen M. King
			Karen M. King, Director
Date:	November 13, 2023	By:	/s/ Anthony J. Noto
			Anthony J. Noto, Director
Date:	November 13, 2023	By:	/s/ John W. Thiel
			John W. Thiel, Director
Date:	November 13, 2023	By:	/s/ Seth H. Waugh
			Seth H. Waugh, Director
Date:	November 13, 2023	By:	/s/ Geoffrey Y. Yang
			Geoffrey Y. Yang, Director

EXHIBIT 10.2

FRANKLIN RESOURCES, INC.
NON-EMPLOYEE DIRECTOR COMPENSATION
As of October 18, 2023

The following sets forth the fees and other payments that non-employee directors of Franklin Resources, Inc. ("Franklin") are entitled to receive as members of the Board of Directors of Franklin (the "Franklin Board"). The Franklin Board last approved changes in such compensation structure on October 18, 2023.

Lead Director Annual Retainer. The Franklin director designated by the independent directors of the Franklin Board as the lead independent director of the Franklin Board is entitled to receive a lead director annual cash retainer fee of $35,000 (one-fourth of which is paid quarterly).

Board Member Annual Retainer and Special Meeting Fee. Non-employee Franklin directors are entitled to receive a Franklin Board annual cash retainer fee of $100,000 (one-fourth of which is paid quarterly), plus $5,000 for each Franklin Board meeting attended by such director in excess of the five regularly scheduled Franklin Board meetings per fiscal year.

Board Member Annual Equity Award. Non-employee Franklin directors are also entitled to receive an annual equity award for approval on the date of each annual organizational meeting of the Franklin Board ("Annual Organizational Meeting"), valued at $195,000 (rounded up to the nearest whole share).

Committee Chair Annual Retainers. The Chair of the Franklin Audit Committee is entitled to receive an annual cash retainer fee of $30,000 (one-fourth of which is paid quarterly), and the Chairs of the Franklin Compensation Committee and the Franklin Corporate Governance Committee each is entitled to receive an annual cash retainer fee of $25,000 (one-fourth of which is paid quarterly).

Committee Member Annual Retainers. Each member of the Franklin Audit Committee (including the Chair) is entitled to receive an annual cash retainer fee of $15,000 (one-fourth of which is paid quarterly), and each member of the Franklin Compensation Committee and the Franklin Corporate Governance Committee (including each committee's Chair) is entitled to receive an annual cash retainer fee of $12,000 (one-fourth of which is paid quarterly).

Special Committee Meeting Fees. Additionally, a $1,500 special committee meeting cash fee is payable to (i) each member of the Audit Committee for each Audit Committee meeting attended by such member in excess of 10 Audit Committee meetings per fiscal year, (ii) each member of the Compensation Committee for each Compensation Committee meeting attended by such member in excess of eight Compensation Committee meetings per fiscal year, and (iii) each member of the Corporate Governance Committee for each Corporate Governance Committee meeting attended by such member in excess of eight Corporate Governance Committee meetings per fiscal year.

In addition, Franklin reimburses directors for certain expenses incurred in connection with attending Franklin Board and committee meetings as well as other related events, including travel, hotel accommodations, meals and other incidental expenses for the director and his or her spouse accompanying the director in connection with such events.

Franklin also allows directors to defer payment of their directors' fees, and to treat the deferred amounts as hypothetical investments in Franklin common stock or Franklin Templeton mutual funds. The terms of any such deferred payment arrangements are set forth in separate documentation between Franklin and the particular directors in accordance with Franklin's 2006 Directors Deferred Compensation Plan, as amended and restated.

Franklin Resources, Inc.
2023 Restricted Fund Unit Plan

Effective October 18, 2023

1. General

1.1 Purpose. The Franklin Resources, Inc. 2023 Restricted Fund Unit Plan (the "Plan") has been established by Franklin Resources, Inc., a Delaware corporation (the "Company"), to (i) attract and retain persons eligible to participate in the Plan; (ii) motivate Participants, by means of appropriate incentives, to achieve long-range performance goals; (iii) provide incentive compensation opportunities that are competitive with those of other similar companies; and (iv) promote the long-term financial interest of the Company and the Subsidiaries.

1.2 Participation. Subject to the terms and conditions of the Plan, the Administrator shall determine and designate, from time to time, Participants who will be granted one or more Awards under the Plan. Awards may be granted as alternatives to or replacement of awards outstanding under the Plan. Designation of a Participant to receive an Award in any year shall not require the Administrator to designate such person to receive an Award in any other year or, once designated, to receive the same type or amount of an Award as granted to such person in any other year.

1.3 Operation, Administration, and Definitions. The operation and administration of the Plan, including the Awards made under the Plan, shall be subject to the provisions of Section 3. Capitalized terms in the Plan shall be defined as set forth in the Plan (including the definition provisions of Section 8 of the Plan).

2. Restricted Fund Unit Awards

2.1 Units. The Plan permits the grant of Awards to Participants. The Award Agreement for an Award shall specify the number of Units granted pursuant to the Award and the applicable Fund(s) to which such Units relate. Each Unit granted pursuant to an Award shall represent the right to receive the value of one Fund Share in the applicable Fund, as determined herein and in the Award Agreement.

2.2 Terms and Conditions of Awards. Awards shall be subject to such terms, conditions, restrictions and contingencies as the Administrator shall determine and set forth in the applicable Award Agreement or otherwise, including, without limitation, whether an Award granted to a Participant shall be subject to vesting, a risk of forfeiture or other restriction that will lapse upon the achievement of certain service and/or performance goals.

2.3 Form of Settlement. Awards shall be settled in cash, unless the Award Agreement or the Administrator provides for settlement in Fund Shares, the granting of replacement Award(s), or a combination thereof.

2.4 Settlement Timing. Except as may otherwise be provided by the Administrator or as set forth in an Award Agreement, any Unit granted pursuant to an Award that vests shall be settled as soon as practicable after the applicable vesting date, but in any event, within the period ending on the later to occur of the date that is two and a half (2½) months from the end of (i) Participant's tax year (which shall be deemed the calendar year for a Participant not subject to taxation in the United States) that includes the applicable vesting date, or (ii) the Company's tax year that includes the applicable vesting date (such period, the "Short-Term Deferral Period").

2.5 Cash Settlement. Any cash payment made in settlement of vested Units shall be equal to the Vested Value.

3. Operation and Administration

3.1 Effective Date. The Plan shall become effective as of the date the Board adopts the Plan (the "Effective Date"). The Plan shall be unlimited in duration and, in the event of the Plan's termination, shall remain in effect as long as any Awards under it are outstanding.

3.2 Compliance with Applicable Laws. Notwithstanding any other provision of the Plan, the Company shall have no liability to pay any cash, cause to be delivered any Fund Shares or make any other distribution of benefits under the Plan unless such payment, delivery, or distribution would comply with all Applicable Laws.

3.3 Tax Withholding. All benefits under the Plan are subject to withholding of all applicable taxes, and the Administrator may condition the payment of cash, delivery of any Fund Shares, or other distribution of benefits under the Plan on satisfaction of the applicable tax withholding obligations. The Administrator, in its discretion, and subject to such requirements as the Administrator may impose prior to the occurrence of such tax withholding, may permit such tax withholding obligations to be satisfied through (a) cash payment by the Participant or (b) the withholding of Fund Shares or cash to which the Participant is otherwise entitled under the Plan.

3.4 Dividends and Dividend Equivalents. Except as may otherwise be provided by the Administrator or as set forth in an Award Agreement, any dividends that are paid from time to time with respect to the Fund Shares represented by the Units granted pursuant to an Award shall be deemed reinvested in the Fund Shares with respect to which the dividend was paid, shall be credited to Participant as additional Units under such Award and shall vest and be settled in accordance with the same vesting and settlement conditions applicable to the Units pursuant to which the dividends were originally paid. The Administrator shall have sole discretion to determine whether a dividend has been paid with respect to any Fund Shares and the amount of any such dividends.

3.5 Payment Deferral. The Administrator may permit or require the deferral of any Award payment, subject to such rules and procedures as it may establish and in accordance with Section 409A of the Code, which may include provisions for the payment or crediting of interest, or dividend equivalents, including converting such credits into deferred Fund Share equivalents.

3.6 Payment by Subsidiaries. Each Subsidiary shall be liable for payment of cash due under the Plan with respect to any Participant to the extent that such benefits are attributable to the services rendered for that Subsidiary by the Participant. Any disputes relating to liability of a Subsidiary for cash payments shall be resolved by the Administrator. For the avoidance of any doubt, this is for administration purposes only and any cash payment made to a Participant by a Subsidiary in respect of any Award under this Plan shall not form part of normal or expected employment-related remuneration for the purposes of calculating any severance, bonus, retirement, welfare or other benefit or entitlement under Applicable Law. Any payment of cash made by a Subsidiary to a Participant in connection with an Award under this Plan should not be taken as a guarantee of any future payment.

3.7 Non-alienation of Awards. Unless specifically provided by the Administrator in the Award Agreement, Awards under the Plan may not be sold, assigned, conveyed, hypothecated, encumbered, anticipated, or otherwise disposed of, and are nontransferable except as designated by the Participant by will or by the laws of descent and distribution; provided, that an Award Agreement shall not provide that an Award is transferable during the lifetime of the Participant, except to the extent that such Award Agreement permits transfers made to family members, to family trusts, to family controlled entities, to charitable organizations, and/or pursuant to domestic relations orders or agreements, in all cases without payment for such transfers to the Participant. Any attempt to sell, assign, convey, hypothecate, encumber, anticipate, transfer, or otherwise dispose of any Award under the Plan in violation of this

Section 3.7 shall be void, and no cash or Fund Shares subject to any Award shall, prior to receipt thereof by a Participant, be in any manner subject to the debts, contracts, liabilities, engagements, or torts of such Participant.

3.8 Agreement With Company. An Award under the Plan shall be subject to such terms and conditions, not inconsistent with the Plan, as the Administrator shall, in its sole discretion, prescribe. The terms and conditions of any Award to any Participant shall be reflected in an Award Agreement, a copy of which shall be provided to the Participant, and the Administrator may, but need not require that the Participant shall sign a copy of such Award Agreement.

3.9 Gender and Number. Where the context admits, words in any gender shall include any other gender, words in the singular shall include the plural and the plural shall include the singular.

3.10 Limitation of Implied Rights.

(a) Neither a Participant nor any other person shall, by reason of participation in the Plan, acquire any right in or title to any assets, funds or property of a Fund, the Company or any Parent or Subsidiary whatsoever, including, without limitation, any specific funds, assets, or other property which the Company or any Parent or Subsidiary, in their sole discretion, may set aside in anticipation of a liability under the Plan. A Participant shall have only a contractual right to the benefits, if any, payable under the Plan, unsecured by any assets of the Company or any Parent or Subsidiary, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company or any Parent or Subsidiary shall be sufficient to pay any benefits to any person.

(b) The Plan does not constitute a contract of employment or service, and selection as a Participant will not give any Participant the right to be retained in the employment or service of the Company or any Parent or Subsidiary, nor any right or claim to any benefit under the Plan or local employment contract, unless such right or claim has specifically accrued under the terms of the Plan. Participants shall not have any right in, to or with respect to any of the Fund Shares (including any voting rights) to which Units under the Award relate.

3.11 Annual Incentive Plan. Any Award that is granted in accordance with the Annual Incentive Plan shall be subject to the Plan and the applicable Award Agreement.

4. Administration

4.1 Administrator. The authority to control and manage the operation and administration of the Plan shall be vested in the Administrator. The “Administrator” shall mean the Compensation Committee of the Board (“Compensation Committee”) and/or another committee of the Board to the extent of such other committee’s authority granted by the Board (each such committee, including the Compensation Committee, a “Committee”). Neither the Company nor any member of a Committee shall be liable for any action or determination made in good faith by a Committee with respect to the Plan or any Award thereunder.

4.2 Powers of Administrator. The Administrator’s administration of the Plan shall be subject to the authority granted to such Administrator by the Board and the following:

(a) Subject to the provisions of the Plan, the Administrator will have the authority and discretion to select from among the Participants those persons who shall receive Awards, to determine the time or times of receipt, to determine the number of Units covered by the Awards, to determine the Fund(s) applicable to such Awards, to establish the terms, conditions, performance criteria, restrictions, and other provisions of such Awards, and (subject to Section 6) to cancel or suspend Awards.

(b) To the extent that the Administrator determines that the restrictions imposed by the Plan preclude the achievement of the material purposes of the Awards in jurisdictions outside the United States, such Administrator will have the authority and discretion to modify those restrictions as such Administrator determines to be necessary or appropriate to conform to applicable requirements or practices of jurisdictions outside of the United States.

(c) The Administrator may grant Awards to Participants who are subject to the tax laws of nations other than the United States, which Awards may have terms and conditions as determined by the Administrator as necessary to comply with applicable foreign laws. The Administrator may take any action which it deems advisable to obtain approval of such Awards by the appropriate foreign government entity; provided, however, that no such Awards may be granted under this Plan and no action may be taken which would result in a violation of any Applicable Law.

(d) In controlling and managing the operation and administration of the Plan, the Administrator shall take action in a manner that conforms to the articles and by-laws of the Company, and Applicable Law.

(e) Notwithstanding the authority granted to any other Administrator, the Compensation Committee will have the sole authority and discretion to interpret the Plan, to establish, amend, and rescind any rules and regulations relating to the Plan, and to make all other determinations that may be necessary or advisable for the administration of the Plan. The Compensation Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Compensation Committee deems necessary or advisable. Any decision of the Compensation Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, without limitation, Participants and their beneficiaries or successors).

4.3 Delegation. The Compensation Committee may delegate its authority and duties under the Plan to the Chief Executive Officer and/or to other executive officers of the Company under such conditions and/or subject to such limitations as the Compensation Committee may establish and as limited by and subject to Applicable Law. Except to the extent prohibited by Applicable Law, a Committee may allocate in writing all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its ministerial duties to any person or persons selected by it; provided, however, that any such allocation or delegation may be revoked by a Committee at any time. In the event that a Committee's authority is delegated to Committee members, officers or employees in accordance with the foregoing, all provisions of the Plan relating to the Administrator shall be interpreted in a manner consistent with the foregoing by treating any such reference to the Administrator as a reference to such Committee members, officers or employees for such purpose. Any action undertaken in accordance with a Committee's delegation of authority hereunder shall have the same force and effect as if such action was undertaken directly by a Committee and shall be deemed for all purposes of the Plan to have been taken by a Committee.

4.4 Information to be Furnished to Administrator. The records of the Company and its Subsidiaries as to a Participant's employment, termination of employment, leave of absence, reemployment and compensation shall be conclusive on all persons unless determined to be incorrect. Participants must furnish the Administrator such evidence, data or information as such Administrator considers desirable to carry out the terms of the Plan in order to be entitled to benefits under the Plan.

5. Adjustments Upon Changes in Capitalization or Corporate Transaction

5.1 Changes in Capitalization of a Fund. In the event of any change of capitalization with respect to the Fund Shares applicable to an Award for any reason, the Administrator shall make such substitution or adjustment, if any, as it deems to be equitable in order to prevent the enlargement or diminution of the

benefits or potential benefits intended to be made available under the Plan, subject to any required action by the stockholders of the Company, as to (a) the number and/or kind of Fund Shares covered by each outstanding Award, (b) any other value determinations applicable to the Plan and/or outstanding Awards, and (c) any other terms of an Award that are affected by the event.

5.2 Company Transaction. In the event of the proposed dissolution or liquidation of the Company or of a merger or corporate combination of the Company (a "Transaction") in which the successor entity does not agree to continue or assume the Award or substitute an equivalent Award, the Administrator shall make a determination (subject to Section 6) as to the equitable treatment of outstanding Awards under the Plan and shall notify Participants of such treatment no later than ten (10) days prior to such proposed Transaction. In the event the Award is not continued or assumed in connection with a Transaction, the Award will terminate upon the consummation of such proposed Transaction.

5.3 Cessation of Fund. Except as may otherwise be provided by the Administrator or as set forth in an Award Agreement, in the event that any one or more Funds applicable to an Award ceases to exist (a "Closed Fund"), the following will occur: (a) the number of Units relating to any such Closed Fund shall cease to apply, (b) the value of the Closed Fund, as at the date of cessation, shall be determined by the Administrator (the "Cessation Value"), and (c) the Administrator will determine, in its sole discretion, any one or more appropriate alternative Funds and allocate to Participant such number of Units representing, at the date of such allocation, value in such one or more Funds of an amount equal to the applicable Cessation Value.

6. Amendment and Termination

The Administrator may, at any time, amend or terminate the Plan; provided, that no amendment or termination may materially and adversely affect the rights of any Participant or beneficiary under any Award granted under the Plan prior to the date such amendment is adopted by the Administrator or such termination occurs unless written consent of the change by the affected Participant (or, if the Participant is not then living, the affected beneficiary) is obtained; provided, that, anything to the contrary notwithstanding, the Administrator may amend the Plan in such manner as it deems necessary to cause an Award to comply with the requirements of the Code or any other Applicable Law, to avoid adverse tax consequences, or for changes in new accounting standards. Notwithstanding anything herein to the contrary, modifications or adjustments pursuant to Sections 5.1 or 5.2 or 5.3 shall in no event be deemed to have an adverse effect on any Award.

7. Forfeiture Events

The Administrator may specify in an Award Agreement that a Participant's rights, payments and benefits with respect to an Award are subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of the Award. Such events may include, without limitation, termination of a Participant's Service for Cause (as such term or like term is defined in the Award Agreement), a Participant's violation of applicable laws, regulations or policies of the Company or any of its subsidiaries, breach of noncompetition, non-solicitation, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company, as determined by the Administrator in its sole and absolute discretion.

8. Defined Terms

In addition to the other definitions contained herein, the following definitions shall apply:

(a) "Administrator" has the meaning set forth in Section 4.1 of the Plan.

(b) "Annual Incentive Plan" means the Franklin Resources, Inc. Amended and Restated Annual Incentive Compensation Plan, as may be further amended, restated, or replaced.

(c) "Applicable Law" means the corporate, securities, tax and other laws applicable to the Plan and the grant of Awards thereunder.

(d) "Award" means any award of Units granted to a Participant under the Plan.

(e) "Award Agreement" means a written agreement between the Company and a holder of an Award, executed by the Company, evidencing the terms and conditions of the Award.

(f) "Board" means the Board of Directors of the Company.

(g) "Code" means the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include reference to any successor provisions of the Code.

(h) "Continuous Status as an Employee or Consultant" as used in Award Agreements means the absence of any interruption or termination of the Service relationship with the Company or any Subsidiary. Continuous Status as an Employee or Consultant shall not be considered interrupted in the case of: (i) sick leave, military leave or any other leave of absence approved by the Administrator, provided that such leave is for a period of not more than ninety (90) days, unless reemployment or Service upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to Company policy adopted from time to time; or (ii) in the case of transfers between locations of the Company or between the Company, its Subsidiaries or its successor.

(i) "Controller" means the entity that decides how and why Personal Data are processed.

(j) "Disability" means that a Participant ceases to be an employee on account of disability as a result of which the Participant is determined to be disabled by the determining authority under the long-term or total permanent disability policy, or government social security or other similar benefit program, of the country or location in which Participant is employed and in the absence of such determining authority, as determined by the Administrator in accordance with the policies of the Company.

(k) "Fund" means an investment company in the Franklin Templeton fund family.

(l) "Fund Share" means one share of the applicable class of a series of the applicable Fund.

(m) "Parent" means a "parent corporation" of the Company, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(n) "Participant" means any executive, employee, director or individual consultant of the Company or any of its Subsidiaries who is selected to receive an Award. An Award may be granted to an employee, in connection with hiring, retention or otherwise, prior to the date the employee first performs services for the Company or its Subsidiaries; provided, that such Awards shall not become vested prior to the date the employee first performs such services. The term "Participant" also includes any non-employee director of the Company or its Subsidiaries who is selected to receive an Award.

(o) "Personal Data" means any information relating to an identified or identifiable natural person (a "data subject").

(p) "Process," "processing" or "processed" means anything that is done with Personal Data, including collecting, storing, accessing, using, editing, disclosing, or deleting those data.

(q) "Service" means a Participant's employment with the Company or any Subsidiary or a Participant's service as a non-employee director or individual consultant with the Company or any Subsidiary, as applicable.

(r) "Short-Term Deferral Period" has the meaning set forth in Section 2.4 of the Plan.

(s) "Subsidiary" or "Subsidiaries" means any company during any period in which it is a "subsidiary corporation" (as that term is defined in Section 424(f) of the Code) with respect to the Company.

(t) "Unit" means a restricted fund unit.

(u) "Vested Value" means, except as otherwise determined by the Administrator or as set forth in an Award Agreement: (i) with regard to Fund Shares of closed-end Funds, the number of vested Fund Shares multiplied by the closing price per share of the applicable Fund on the primary stock exchange or NASDAQ stock market, as applicable, on which such Fund then trades on the applicable vesting date (or, if such date is not a trading day, on the last trading day prior to such date); or (ii) with regard to non-closed end Funds, the net asset value per share of the applicable non-closed end Fund calculated on the applicable date of determination as detailed in the Fund's prospectus (or, if the date of determination is not a trading day, on the last trading day prior to the date of determination).

9. Section 409A

The Plan is intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and, with respect to amounts that are subject to Section 409A of the Code, it is intended that the Plan be administered in all respects in accordance with Section 409A of the Code. Each payment under any Award shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may a Participant, directly or indirectly, designate the calendar year of any payment to be made under any Award, but only to the extent such payment is considered "nonqualified deferred compensation" within the meaning of Section 409A of the Code. Notwithstanding any provision of the Plan or any Award Agreement to the contrary, in the event that a Participant is a "specified employee" within the meaning of Section 409A of the Code (as determined in accordance with the methodology established by the Company), amounts that constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code that would otherwise be payable on account of a separation from service within the meaning of Section 409A of the Code and during the six-month period immediately following a Participant's "separation from service" within the meaning of Section 409A of the Code ("Separation from Service") shall instead be paid or provided on the first business day after the date that is six months following the Participant's Separation from Service. If the Participant dies following the Separation from Service and prior to the payment of any amounts delayed on account of Section 409A of the Code, such amounts shall be paid to the personal representative of the Participant's estate within thirty (30) days after the date of the Participant's death. The Company shall use commercially reasonable efforts to implement the provisions of this Section 9 in good faith; provided, that neither the Company, any of its Subsidiaries, any Administrator nor any of the Company's or Subsidiary's employees, directors or representatives shall have any liability to any Participant with respect to this Section 9.

10. General Provisions

10.1 Other Compensation and Benefit Plans. The adoption of the Plan shall not affect any other incentive or other compensation plans in effect for the Company or any Subsidiary, nor shall the Plan preclude the Company from establishing any other forms of incentive or other compensation or benefit program for employees of the Company or any Subsidiary. Consistent with Section 3.6 above, the amount of any compensation deemed to be received by a Participant pursuant to an Award shall not constitute includable compensation for purposes of determining the amount of benefits to which a Participant is entitled under any other compensation or benefit plan or program of the Company or a Subsidiary, including, without limitation, under any pension or severance benefits plan, except to the extent specifically provided by the terms of any such plan.

10.2 Governing Law. The Plan shall be governed by, and all claims, disagreements, or disputes arising under or in connection with the Plan shall be resolved in accordance with, the laws of the State of

Delaware, without regard to its conflict of laws rules, to the extent not preempted by the federal laws of the United States of America.

10.3 No Fractional Fund Shares. No fractional Fund Shares shall be issued or delivered pursuant to the Plan or any Award, and the Administrator shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Fund Shares or whether such fractional Fund Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

10.4 No Guarantees Regarding Tax Treatment. Neither the Company nor the Administrator make any guarantees to any person regarding the tax treatment of Awards or payments made under the Plan. Neither the Company nor the Administrator has any obligation to take any action to prevent the assessment of any tax on any person with respect to any Award under Section 409A of the Code, Section 4999 of the Code or otherwise and neither the Company nor the Administrator shall have any liability to a person with respect thereto.

10.5 Data Protection. In connection with implementing, administering and managing the Plan, the Company is the Controller with respect to processing Personal Data. Information concerning the Company's employee privacy practices and notices can be obtained through the Company Global Privacy Office. Participants are responsible for: (i) providing the Company with accurate and up to date Personal Data; and (ii) updating those Personal Data in the event of any material changes.

FRANKLIN RESOURCES, INC.

AMENDED AND RESTATED DEFERRED COMPENSATION FUND PLAN

(Amended and Restated Effective as of August 15, 2023)

THIS AMENDED AND RESTATED FRANKLIN RESOURCES, INC. DEFERRED COMPENSATION FUND PLAN (the "Plan") is adopted by FRANKLIN RESOURCES, INC. (the "Company") as of the effective date set forth above (the "Effective Date"), under the terms and conditions hereinafter set forth, as may be further amended from time to time. This Plan was originally adopted effective as of November 16, 2021. The Company hereby amends and restates the Plan as set forth herein.

ARTICLE I

General

1.1. Purpose of Plan – The Company adopted the Plan to facilitate the deferral of compensation by designated employees of the Company and its Affiliates.

1.2. Nature of Plan – The Plan is intended to be a non-qualified, unfunded plan maintained to provide deferred compensation to a select group of management and/or highly compensated employees (within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA) of the Company and its Affiliates, and is not intended to be subject to ERISA (other than Title I, Subtitle B, Part 1, Reporting and Disclosure, and Title I, Subtitle B, Part 5, Administration and Enforcement). The Plan is intended to comply in form and operation with Section 409A and shall be so interpreted.

ARTICLE II

Definitions

2.1. Definitions – The following terms, as used herein, unless a different meaning is implied by the context, shall have the following meanings:

Account – The account established for each Participant pursuant to **Section 6.1**.

Administrative Committee – The Administrative Committee appointed under **Section 10.3** to serve as the Administrator.

Administrator – The person, group or entity designated in accordance with the provisions of **ARTICLE X** to administer and operate the Plan.

Affiliate – Any member of the Employer Group, other than the Sponsor, designated by the Administrator as an "Affiliate" for purposes of the Plan.

Beneficiary – Any person or persons so designated in accordance with the provisions of **Section 8.2**.

Code – The Internal Revenue Code of 1986, as amended, or any provision or section thereof herein specifically referred to, as such Code, provision or section may from time to time be amended or replaced.

Company – Franklin Resources, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, unless otherwise herein provided.

Compensation – Amounts payable by the Company or an Affiliate to a Participant which are attributable to services performed during the Election Year, limited to base salary, any cash bonus payable during the Election Year for a Fiscal Year ending on or after September 30th of the Election Year and such other bonuses or sales commissions that are attributable to services performed during the Election Year. Notwithstanding the above, Compensation does not include amounts payable for services performed outside the United States from a non-U.S. payroll.

Compensation Deferral Agreement – The written or electronic agreement, on a form or in a format provided or approved by the Administrator, whereby a Participant elects to commence or resume participation in the Plan, and to defer Compensation pursuant to the terms of the Plan, the filing of which may be accomplished by physical or electronic receipt thereof by the Administrator.

Compensation Deferral Agreement Deadline – September 30th of the Election Year preceding each Election Year for which a Compensation Deferral Agreement is to be effective.

Compensation Deferral Contributions – Credits made to the Account of a Participant under **Section 5.2**.

Covered Employee – Any Employee who is determined by the Administrator, in its sole and absolute discretion, to be a member of "a select group of management or highly compensated employees" within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

Disability – Any condition that renders a Participant "disabled" within the meaning of § 1.414A-3(i)(4) of the Regulations.

Distribution Date – The date on which a distribution is made pursuant to the terms of the Plan.

Effective Date – The effective date of this amendment and restatement of the Plan is **August 15, 2023**.

Election Year – The twelve (12)-month period to which a deferral election applies. The Election Year shall be the calendar year in all cases.

Employee – Any person employed by the Company or an Affiliate within the United States.

Employer Group – A group of employers consisting of the Company and all other employers who are treated as a single employer under Section 414(b) and/or (c) of the Code.

ERISA – The Employee Retirement Income Security Act of 1974, or any provision or section thereof herein specifically referred to, as such Act, provision or section may from time to time be amended or replaced.

Fiscal Year – The fiscal year of the Company, which currently ends on September 30th.

FT 401(k) Plan – The Franklin Templeton 401(k) Retirement Plan, as amended from time to time.

FT Funds – Mutual and money market funds sponsored by the Company, a subsidiary of the Company, any entity in which the Company has a twenty-five percent (25%) or greater ownership interest or an Affiliate. In addition, for all purposes under the Plan, the term "FT Funds" shall include any index fund available as an investment option under the FT 401(k) Plan, whether sponsored by the Company, a subsidiary of the Company, any entity in which the Company has a twenty-five percent (25%) or greater ownership interest, an Affiliate or a third party pursuant to the terms of the FT 401(k) Plan. Notwithstanding the foregoing, and for the avoidance of doubt, investments in a FT Fund or index fund through a self-directed brokerage option under the FT 401(k) Plan is **not** permitted as an investment option under this Plan.

FT Sub – Franklin Templeton Companies, LLC, a Delaware limited liability company.

Leave of Absence – An authorized absence from active employment under circumstances which are not treated by the Administrator as a Separation from Service, and with respect to which there is a reasonable expectation that the Participant will return to perform further services for the Employer Group.

Participant – Any person, including, where appropriate according to the context of the Plan, any former Employee, who has an Account (with an undistributed balance) under the Plan.

Payment Option Election – A written or electronic election, on a form or in a format provided or approved by the Administrator, pursuant to the Plan whereby a Participant elects the form and/or timing of the distribution of all or a portion of the Participant's Account.

Plan – The plan set forth herein, as amended from time to time.

Regulations – Regulatory guidance promulgated by the Treasury Department with respect to Section 409A and, where appropriate, other sections of the Code (as such regulations are presently written or subsequently proposed, finalized, amended, supplemented or replaced).

Return – The amount calculated under **Section 6.4**.

Section 409A – Section 409A of the Code (as now or hereafter amended or replaced) and the Regulations and other Internal Revenue Service guidance issued thereunder.

Separation from Service – A retirement or other termination of employment with the Employer Group under circumstances which do not constitute a Leave of Absence, and which meet the requirements of Regulations Section 1.409A-1(h). Where appropriate to the context, a Participant's termination of employment by reason of death shall be deemed to be a Separation from Service. Notwithstanding the foregoing, a Leave of Absence shall be deemed to constitute a Separation from Service if the period of leave exceeds six (6) months (or such longer period for which the Participant retains re-employment rights with the Employer Group under an applicable statute or contract).

Sponsor – The Company.

Unforeseeable Emergency – An "Unforeseeable Emergency" shall be defined in accordance with §1.409A-3(i)(3) of the Regulations and, to the extent not inconsistent therewith, the following summary thereof: a severe financial hardship to the Participant resulting from an illness or accident of the Participant, their spouse or their dependent (as defined in Section 152 of the Code without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B)), or any Beneficiary he or she has designated pursuant to **Section 8.2.2** (and which designation is in effect when the unforeseeable emergency occurs), loss of the Participant's property due to casualty (whether or not resulting from a natural disaster), or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, but only to the extent such emergency is not and may not be relieved: (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship); or (iii) by cessation of deferrals under the Plan. However, determination of amounts reasonably necessary to satisfy the emergency need is not required to take into account any additional compensation that, due to the unforeseeable emergency, is available under another nonqualified deferred compensation plan but has not actually been paid. Examples of circumstances that may (under all relevant facts and circumstances) constitute an unforeseeable emergency are: (i) imminent foreclosure of or eviction from the Participant's primary residence, (ii) the need to pay prescription drugs or other medical expenses (including non-refundable deductibles) of the Participant, spouse, dependent or Beneficiary, or (iii) funeral expenses of a spouse, dependent or Beneficiary; provided, however, that home purchase or college tuition will not, under normal circumstances, constitute an unforeseeable emergency.

Value – The contributions and Return allocated to an Account less the amount of any distributions and forfeitures from the Account hereunder.

2.2. Statutory References – Statutory references in the Plan shall incorporate by reference all regulations, rulings, procedures, releases and other position statements issued by the relevant governmental agency with respect to such statutory provision.

ARTICLE III

Eligibility and Participation

3.1. **Requirements** – A Covered Employee shall be eligible to become a Participant on the January 1st of an Election Year on which both of the following requirements are met:

3.1.1 The Covered Employee is individually approved by the Administrator, in its sole and absolute discretion, for participation in the Plan; and

3.1.2 The Covered Employee is notified by the Administrator of his or her eligibility to participate in the Plan.

3.2. **Enrollment and Participation** – Participation in the Plan is voluntary. Each Covered Employee who has met the requirements of **Section 3.1** may elect to participate in the Plan by filing a Compensation Deferral Agreement with the Administrator in accordance with **Section 4.2**. However, except as provided in the next paragraph, a Covered Employee shall not become a Participant until the effective date of a timely filed Compensation Deferral Agreement, as determined in accordance with **Section 4.2** (so that participation may only begin on a January 1st).

The election to become a Participant shall be made by, and only by, completing and delivering to the Administrator a Compensation Deferral Agreement.

Subject to the right of the Administrator to prospectively terminate the status of any Participant as a Covered Employee, once an Employee has become a Participant, the Employee shall remain a Participant (without regard to whether or not a Compensation Deferral Agreement is in effect) throughout the Participant's tenure as an Employee.

3.3. **Change of Employment Category** – During any period in which a Participant remains in the employ of the Employer Group, but ceases to be a Covered Employee: (i) the Participant will continue their Plan participation, and the Participant's Account will continue to be credited with earnings or losses, as applicable, so long as the Participant's Account has an undistributed balance, but (ii) the Participant's Account shall not be credited with, nor shall the Participant be entitled to make, any deferral contributions based upon Compensation payable with respect to such period. However, if, at the time the Participant ceases to be a Covered Employee (other than on account ceasing to remain in the employ of the Employer Group), the Participant has a Compensation Deferral Agreement in effect the Participant's deferral contribution thereunder shall continue until such time as the Compensation Deferral Agreement would lapse by its terms.

In the event that a Participant who ceased to be a Covered Employee subsequently becomes a Covered Employee, the Participant shall be eligible to defer Compensation only after again meeting all of the requirements of **Section 3.1** (including, without limitation, being notified by the Administrator of his or her eligibility to resume participation in the Plan) and filing a new Compensation Deferral Agreement pursuant to **Section 3.2**.

3.4. **Leaves of Absence** – During any authorized absence from active service that constitutes a Leave of Absence, a Participant shall continue to participate in the Plan to the same extent as if the Participant had not taken the leave of absence, and any Compensation Deferral Agreement shall remain in effect.

3.5. **Separation from Service** – Upon a Participant's Separation from Service with the Company or an Affiliate, the Participant's participation in the Plan shall terminate (except as provided in **Section 3.7**). If an Employee (whether or not a Participant) who has a Separation from Service is subsequently re-employed by the Company or an Affiliate, the Employee shall be treated as a new Employee who shall be eligible to become a Participant only after again meeting all of the requirements of **Section 3.1** (including, without limitation, being notified by the Administrator of his or her eligibility to participate in the Plan) and filing a new Compensation Deferral Agreement pursuant to **Section 3.2**.

3.6. **Failure to Participate When First Eligible** – In the event that a Covered Employee who, pursuant to **Section 3.1**, is eligible to commence or resume participation fails to elect to participate when he or she first becomes eligible to become a Participant in the Plan, the Employee shall not again be eligible to participate until the first day of the next, or any subsequent, Election Year (provided the Employee is still then otherwise eligible for participation). If the Employee does so elect, the Employee's participation shall be effective as of the date determined in accordance with **Section 4.2**.

3.7. **Inactive Participation** – In the event that a Participant's active participation in the Plan ceases, as described in **Sections 3.2, 3.3 or 3.5**, or he or she ceases to make **Section 5.2** deferral contributions or ceases to be a Covered Employee, the Participant shall nevertheless be deemed to remain as a Participant for all purposes other than the crediting of further **Section 5.2** contributions to the Participant's Account, until such time as there is no longer an undistributed balance in the Participant's Account.

ARTICLE IV

Deferral Elections

4.1. **General** – The election by any Participant to defer Compensation pursuant to the terms of the Plan shall be made by, and only by, the filing of a completed Compensation Deferral Agreement with the Administrator. Subject to the remainder of this **ARTICLE IV**, deferral elections shall be made at the time, in the manner, and subject to the conditions specified by the Administrator.

4.2. **Timing of Elections** – An election to defer Compensation for any Election Year shall not be effective unless made on or before the Compensation Deferral Agreement Deadline for the Election Year to which the election relates.

4.3. **Irrevocability of Elections** – Except as provided in **Section 4.5**, an election to defer Compensation for an Election Year becomes irrevocable on, and may not be changed or revoked after, the Compensation Deferral Agreement Deadline for that Election Year.

4.4. **Changes in Deferral Elections** – A Participant shall be required to make an election to defer Compensation pursuant to a new Compensation Deferral Agreement with respect to each Election Year. No deferrals of Compensation will be made in any subsequent Election Year if a Participant fails to file a completed Compensation Deferral Agreement on or before the Compensation Deferral Agreement Deadline for any such subsequent Election Year, regardless as to whether the Participant is still eligible to defer Compensation under the Plan. See **Section 8.3** regarding initial and subsequent Payment Option Elections.

4.5. **Unforeseeable Emergency** – Notwithstanding the provisions of **Sections 4.2, 4.3 and 4.4**, in the event of a Participant's Unforeseeable Emergency, or in the event of a hardship withdrawal by a Participant under the FT 401(k) Plan (but only if the hardship withdrawal meets the requirements of §1.401(k)-1(d)(3) of the Regulations), the Participant may apply to the Administrator for permission to cancel (not merely postpone or delay) **Section 5.2** Compensation Deferral Contributions for the remainder of the Election Year. The Administrator shall have the sole discretion (subject to **Section 10.5**) to determine whether the Participant's circumstances meet the applicable standards. If a Participant receives payment on account of an Unforeseeable Emergency in accordance with **ARTICLE IX**, the Participant will cease to make Compensation Deferral Contributions for the remainder of the Election Year in which such payment is made.

ARTICLE V

Contributions

5.1. **Nature of Contributions** – Contributions described in this **ARTICLE V** shall not represent actual deposits to a separate fund or trust, but shall be bookkeeping entries in the form of credits to the Accounts of the Participants on whose behalf the contributions are made.

5.2. **Compensation Deferral Contributions** –

5.2.1 By so electing in their Compensation Deferral Agreement, each Participant may elect to defer Compensation (which would otherwise have been paid to the Participant) in any whole percentage amount designated by the Participant, provided that such amount is not less than 1% of the Participant's Compensation nor more than such percentage or dollar maximum approved by the Administrator and reflected in the Compensation Deferral Agreement prior to the Compensation Deferral Agreement Deadline (with the percentage amount designated and any percentage limits approved by the Administrator applied in the aggregate until the dollar maximum is reached) for the Election Year. The Administrator may adjust the aggregate percentage or dollar maximums, and may approve a different percentage or dollar maximum for any specific element of Compensation, prior to the Compensation Deferral Agreement Deadline for an Election Year.

5.2.2 The Administrator may establish such procedures with respect to timing and amount of individual deferrals by each Participant as it deems appropriate to implement the limitations described in **ARTICLE IV** or this **ARTICLE V** (other than any procedure which would require or permit the Administrator to authorize payment to the Participant any Compensation previously deferred by the Participant pursuant to this **Section 5.2.2** during the current or any preceding Election Year or which would permit a change or discontinuation of deferrals under the Plan that would violate Section 409A).

5.2.3 The gross amount of the Participant's Compensation shall be reduced pursuant to each Participant's Compensation Deferral Agreement. In lieu of payment of the deferred portion of the Participant's Compensation to the Participant as earned, the Administrator will credit to the Participant's Account dollar amounts equal to the deferred Compensation, each such credit to be made as of a date no later than fifteen (15) business days after the last day of the month during which the Participant would have been entitled to such Compensation had it been paid as current Compensation.

5.2.4 Any Federal Insurance Contributions Act ("FICA") or other payroll tax which may be imposed on the Participant with respect to deferral contributions shall, unless otherwise determined by the Administrator, be deducted from the non-deferred remainder of the Participant's remuneration.

5.3. Effect of Compensation Deferrals – With respect to any other employee benefit or welfare plan sponsored by the Company or an Affiliate under which the amount of any benefit is based on the compensation paid to an employee, a Participant's compensation for the purpose of such employee benefit or welfare plan shall not include the amount of any Compensation deferrals under this Plan, unless otherwise specifically provided in such other plan.

ARTICLE VI

Participant Accounts

6.1. Account Established for Each Participant – An individual Account shall be established on the books of the Company or an Affiliate in the name of each Participant, for the purpose of accounting for contributions credited to, and benefits paid to or on behalf of, the Participant, and to account for incremental adjustments pursuant to **Sections 6.3 and 6.4**. Each Account shall be divided into such subaccounts, if any, as the Administrator deems appropriate to properly implement the provisions of the Plan.

6.2. No Funding Requirement –

6.2.1 General – Neither the Company nor any Affiliate shall be required to purchase, hold or dispose of any investments with respect to amounts credited to the Account, their only obligation being to make payments as described in **ARTICLE VIII**. Should the Company or an Affiliate elect to make contributions to a trust (hereinafter referred to as a "Trust") to assist the Company or Affiliate in paying the benefits which may accrue hereunder, the amounts contributed shall be used to purchase the deemed investments under **Section 6.3**, subject to application of the provisions of this **Section 6.2.1** to the actual investments. However, contributions to a Trust shall not reduce or otherwise affect the Company's or Affiliate's liability to pay benefits under the Plan (which benefits may be paid from a Trust or from the Company's or Affiliate's general assets, in the discretion of the Administrator), except that the Company's or Affiliate's liability shall be reduced by actual benefit payments from a Trust (and the Account shall be appropriately adjusted to reflect such payments). If any such investments, or any contributions to a Trust, are made by the Company or an Affiliate, such investments shall have been made solely for the purpose of aiding the Company or Affiliate in meeting its obligations under the Plan. To the extent that the Company or Affiliate does, in its discretion, purchase or hold any such

investments (other than through contributions to the Trust), the Company or Affiliate will be named sole owner of all such investments and of all rights and privileges conferred by the terms of the instruments or certificates evidencing such investments. Nothing stated herein will cause such investments, or a Trust, to form part of the Account, or to be treated as anything but the general assets of the Company or Affiliate, subject to the claims of its general creditors, nor will anything stated herein cause such investments, or a Trust, to represent the vested, secured or preferred interest of the Participant or their Beneficiaries. The Company or Affiliate shall have the right at any time to use such investments not held in the Trust in the ordinary course of its business. Neither the Participant nor any of their Beneficiaries shall at any time have any interest in the Account or a Trust or in any such investments, except as a general, unsecured creditor of the Company or any Affiliate to the extent of the deferred compensation arrangement which is the subject of the Plan.

6.2.2 **Off-Shore Prohibition** – To the extent that the Company or an Affiliate actually makes contributions to a Trust, or otherwise directly or indirectly sets aside assets to assist in paying any benefits which may accrue hereunder, then, except as otherwise permitted by regulations or other guidance issued by the Internal Revenue Service under Section 409A(b), neither such assets, nor a Trust itself, shall be located or transferred outside of the United States (except to a foreign jurisdiction in which substantially all of the services giving rise to the benefits accruing hereunder are performed).

6.3. **FT Funds** – A Participant's Account shall be deemed to be invested in the FT Funds designated or deemed designated by the Participant in accordance with this **Section 6.3** or **Section 6.5** for the purpose of determining the Account's Value, which shall be the amount of contributions credited to the Account, together with the Return (positive or negative) on the Account, less any distributions or forfeitures from the Account. However, a Participant's Account does not represent the Participant's ownership of, or any ownership interest in, any FT Fund. Except as the Administrator shall otherwise determine, the FT Funds available for designation by Participants under the Plan shall be the same as those FT Funds in the FT 401(k) Plan as of any relevant time. However, the Administrator may, in its sole discretion, alter, modify, or eliminate any FT Fund option that is used to calculate the Return on any of the Participant's Accounts under the Plan in accordance with changes made under the FT 401(k) Plan or otherwise. In the event the Administrator so alters, modifies or eliminates any FT Fund option, the Administrator shall, in its sole discretion, determine the appropriate reallocation of the FT Funds or substitution of another FT Fund that shall be used to calculate the Return on the affected Participant's Accounts; provided that, except as the Administrator shall otherwise determine, if such alteration, modification or elimination of an FT Fund option occurs as a result of a similar action taken under the FT 401(k) Plan, any reallocation of the FT Funds or substitution of another FT Fund hereunder shall track such reallocation or substitution under the FT 401(k) Plan. The FT Funds resulting from such reallocation or substitution shall be deemed to have been designated by the Participant until such time as a different designation of FT Funds by the Participant as to the respective amounts in the Participant's Account takes effect.

6.4. **Return** – Each Participant's Account will be adjusted from time to time (at least monthly) to reflect the gains and losses that would be ascribed to the Account if the amounts credited to the Account were actually invested in the FT Funds designated or deemed designated by the Participant. In the event an FT Fund designated or deemed designated by a Participant pays

dividends, distributes capital gains, or makes other distributions, the amount of such dividends and distributions shall be credited to the Participant's Account as of the time of such adjustments and treated as part of the Return.

6.5. **Participant Investment Designations** – The Administrator may establish uniform rules and procedures to be followed with respect to the deemed investment of Participants' Accounts in FT Funds. Participant investment designations shall be governed by the following provisions:

6.5.1 The Administrator shall determine the manner, period, and frequency of investment designations (*e.g.*, daily, weekly, monthly, quarterly or annually). Different terms and conditions may be specified for different FT Funds (*e.g.*, monthly designations for one FT Fund and quarterly designations for another FT Fund). Any term or condition imposed by the Administrator may apply to a Participant's entire Account or may be applied separately to different investment media or to different types of contributions (*e.g.*, future contributions versus the current balance of the Account).

6.5.2 Except as the Administrator shall otherwise determine, any initial or subsequent investment designation shall be in writing or filed electronically, on a form or in a format supplied or approved by the Administrator or its designee, and filed with the Administrator or its designee, and shall be effective on such date as may be specified by the Administrator or its designee. The Administrator may arrange for telephone, internet or other electronic investment designations, and may establish (and thereafter change) a limit on the number of investment designations that may be made by any Participant during a specified period.

6.5.3 All contributions (except for the Return on an FT Fund) shall be allocated among the separate FT Funds available in accordance with the then effective investment designation or deemed designation. Except as the Administrator shall otherwise determine, any distributions hereunder shall be taken proportionately from each separate FT Fund to which the Account is allocated at the time of the distribution. Any new investment designation may designate that, as of the date the new designation takes effect, the entire balance of the Participant's Account at that date shall be reallocated among the designated FT Funds according to the percentages specified in the investment designations and/or future contributions shall be allocated in accordance with such new investment designation. No reallocations of the Participant's Account are to be made merely to adjust for disproportionate investment growth among such FT Funds (other than in response to a subsequent investment designation filed with respect to the Participant's Account).

6.5.4 In the event the Administrator or its designee receives an initial or revised investment designation which it deems to be incomplete, unclear, not in accordance with procedures established pursuant to this **Section 6.5.4** or otherwise improper, the Participant's investment designation then in effect shall remain in effect (or, in the case of a deficiency in an initial designation, the Participant shall be considered to have filed no investment designation) until a complete investment designation is filed in accordance with the rules and procedures established by the Administrator.

6.5.5 The Administrator may determine at any time to vary the rules provided above to accord with the requirements of any FT Fund, for ease in administration or for any other reason.

6.5.6 It is intended that all Participants be required to direct the deemed investment of their Accounts to the extent set forth in this **Section 6.5.6**. In the event that the Administrator possesses at any time instructions as to the deemed investment of less than all of a Participant's Account, the Participant shall be deemed to have designated that the non-directed portion of their Account be deemed invested in a money market fund (or if a money market fund does not then exist, in the separate FT Fund which most closely resembles a money market fund or that is otherwise selected by the Administrator).

6.5.7 Notwithstanding anything contained herein to the contrary, neither the Administrator, the Company, any Affiliate nor any other person shall have any liability for any loss arising from or as a result of any investment designation or deemed designation by a Participant pursuant to **Section 6.3** or this **Section 6.5.7** or the performance of any of the FT Funds. In addition, such persons or entities shall have no responsibility to determine the appropriateness of any individual Participant's investment designation or of the particular FT Funds made available for Participant designation under the Plan.

ARTICLE VII

Entitlement to Benefits

7.1. **Separation from Service** – In the event of a Participant's Separation from Service for any reason other than death, he or she shall become entitled to the full amount of the balance of their Account, payable in the manner and at the time according to the provisions of **ARTICLE VIII**.

7.2. **Death** – In the event of the death of a Participant prior to their Separation from Service, the full amount of the balance of their Account shall become payable, in the manner and at the time according to the provisions of **ARTICLE VIII**, to the Participant's designated Beneficiary.

7.3. **In-Service Distribution** – Notwithstanding **Sections 7.1 and 7.2** above, in the event of an election for an in-service distribution under **Section 8.3** with respect to the Compensation Deferral Contributions allocated for an Election Year, the Value of the portions of the Account attributable to such contributions shall be distributed as provided in such section.

7.4. **Vesting** – A Participant shall at all times be fully vested in their Account, but shall not be entitled to a distribution of any portion of the Account until payable according to, and in such manner and at such time or times provided under, the provisions of **ARTICLE VIII**.

7.5. **Clawbacks** – Subject to the last sentence of this **Section 7.5**, and notwithstanding any other provision of the Plan to the contrary, any portion of a Participant's Account attributable to deferrals of cash incentive or bonus compensation shall be subject to potential forfeiture, cancellation, recoupment, rescission, payback or other action in accordance with the terms of any written compensation clawback policy or terms of any member of the Employer Group applicable

to Participant, as may be amended from time to time (the "Policy"). As a condition of participation in the Plan, the Participant agrees and consents to the Employer Group's application, implementation and enforcement of (a) the Policy or any similar policy established by the Company that may apply to the Participant and (b) any provision of applicable law relating to forfeiture, cancellation, rescission, payback or recoupment of compensation, and expressly agrees that the Company may take such actions as are necessary to effectuate the Policy, any similar policy (as applicable to the Participant) or applicable law without further consent or action being required by the Participant.

ARTICLE VIII

Distribution of Benefits

8.1. **Benefits Payable in-Service or upon Separation from Service** – If a Participant makes an irrevocable election under **Section 8.3** for an in-service distribution, the portion of the Participant's Account subject to such election will be distributed as provided in such section. Upon a Participant's Separation from Service with the Company or an Affiliate for any reason other than death, distribution of the balance of the Participant's Account (which is not subject to an election for an in-service distribution under **Section 8.3**) shall be made (or begun) on such date as may be irrevocably elected by the Participant in the Participant's Payment Option Election under **Sections 8.3.3.1 and 8.3.3.2**, or such later date as may be applicable by reason of **Section 8.1.2 or 8.4.2**. If the Participant does not complete and file with the Administrator a valid and timely Payment Option Election with respect to any deferrals, then the balance of the Participant's Account attributable to deferrals for which a Payment Option Election has not been completed shall be distributed in a single lump sum on (i) the first (1st) business day of the month following the Separation from Service, or (ii) such later date as may be applicable by reason of **Section 8.1.2 or 8.4.2**. Each date on which a distribution is actually made pursuant to this **Section 8.1** is referred to as the Participant's Distribution Date, and the distribution shall be determined and valued in accordance with **Sections 6.3 and 6.4** as of such Distribution Date.

8.1.1 **Cash Out** – Notwithstanding the foregoing, and without regard to any Payment Option Election the Participant may have filed with the Administrator, if, on the date of the Participant's Separation from Service, the portion of their Account has a Value of less than **$22,500** (or such higher "applicable dollar amount" under Sections 402(g)(1)(B) and 402(g)(4) of the Code), the entire portion of their Account shall be distributed in a single lump sum on (i) the first (1st) business day of the month following the Separation from Service, or (ii) such later date as may be applicable by reason of **Section 8.1.2 or 8.4.2**.

8.1.2 **Six-Month Delay for Specified Employees** – Notwithstanding any provision in the Plan to the contrary, no distribution to a "Specified Employee" (as defined below) by reason of their Separation from Service, for any reason other than their death, may be made prior to the date that is the earlier of: (i) their date of death, or (ii) six (6) months after the date of their Separation from Service; in that event, their Distribution Date shall become the first (1st) day of the month following whichever of those two dates is applicable. This provision shall continue to apply during any period in which any stock of any member of the Employer Group is publicly traded on an established securities market (within the meaning of § 1.897-1(m) of the Regulations) or otherwise.

A "Specified Employee" is any Participant who, as of the date of their Separation from Service with the Employer Group, is a "key employee" (within the meaning of Section 416(i)(1)(A)(i), (ii) or (iii) of the Code, applied in accordance with the regulations issued thereunder and disregarding Section 416(i)(5)) who meets the definition of a "Specified Employee" as determined under § 1.409A-1(i) of the Regulations. The Participant will be deemed to be a key employee as of the date of their Separation from Service with the Employer Group if he or she met the key employee requirement at any time during the twelve (12)-month period described in the aforesaid Regulations.

8.2. Death Benefits – In the event of the death of a Participant who has an undistributed balance in their Account:

8.2.1 Effect of Payment Option Election – Distribution of the balance of the Participant's Account shall be made (or begun) to the Participant's Beneficiary on the date specified in the Participant's Payment Option Election completed in accordance with the provisions of **Section 8.3** or as of any other date determined in accordance with the terms of the Plan and consistent with the provisions of Section 409A. If the Participant does not complete a Payment Option Election with respect to any deferrals, the portion of the Participant's Account attributable to deferrals for which a Payment Option Election has not been completed shall be distributed to the Participant's Beneficiary in a single lump sum on (i) the first (1st) business day of the month following the Separation from Service by reason of death, or (ii) such later date as may be applicable by reason of **Section 8.4.2**. Each date on which a distribution is actually made pursuant hereto is referred to as the Beneficiary's Distribution Date, and the distribution shall be determined and valued in accordance with **Sections 6.3 and 6.4** as of the Distribution Date.

8.2.2 Beneficiary Designation – Each Participant from time to time may designate any person or persons (who may be named contingently or successively) to receive such benefits as may be payable under the Plan upon or after their death, and such designation may be changed from time to time by the Participant by filing a new designation. Each designation will revoke all prior designations by the same Participant, shall be in form prescribed by the Administrator, and will be effective only when filed in writing or electronically with the Administrator during the Participant's lifetime.

8.2.3 Failure to Designate Beneficiary – In the absence of a valid Beneficiary designation, or if, at the time any benefit payment is due to a Beneficiary, there is no living Beneficiary eligible to receive the payment, validly named by the Participant, the Company or an Affiliate shall distribute any such benefit payment to the person or persons designated to receive the Participant's accrued benefit from the FT 401(k) Plan. In the absence of a valid designation to a living person under the FT 401(k) Plan, the Company or an Affiliate shall distribute the benefit payment to the Participant's estate. In determining the existence or identity of anyone entitled to a benefit payment, the Administrator may rely conclusively upon information supplied by the personal representative of the Participant's estate. In the event of a lack of adequate information having been supplied to the Administrator, or in the event that any question arises as to the existence or identity of anyone entitled to receive a benefit payment as aforesaid, or in the event that a dispute arises with respect to any such payment, or in the event that a Beneficiary designation conflicts with applicable law, or in the event the Administrator is in doubt for any other reason as to the right of any person to receive a payment as Beneficiary then, notwithstanding the foregoing,

the Company or an Affiliate, in the sole discretion of the Administrator, may, in complete discharge, and without liability to the Administrator, the Company, any Affiliate or any other person for any tax or other consequences which might flow therefrom: (i) distribute the payment to the Participant's estate, (ii) retain such payment, without liability for interest, until the rights thereto are determined, or (iii) deposit the payment into any court of competent jurisdiction.

8.3. Payment Option Elections – Payment elections, and changes therein, shall be made (and may only be made) by a Participant by the filing of a completed Payment Option Election with the Administrator, and in accordance with the provisions of this **Section 8.3**.

8.3.1 Initial Election – Simultaneously with the filing of his or her Compensation Deferral Agreement, or as a part thereof, but in no event later than the Compensation Deferral Agreement Deadline applicable thereto, a Participant shall complete and file with the Administrator a Payment Option Election. The Payment Option Election may be changed at any time prior to, but it becomes irrevocable on, the applicable Compensation Deferral Agreement Deadline. If the Participant does not complete a Payment Option Election with respect to any deferrals, the portion of the Participant's Account attributable to deferrals for which a Payment Option Election has not been completed shall be distributed in a single lump sum on (i) the first (1st) business day of the month following the Participant's Separation from Service, or (ii) such later date as may be applicable by reason of **Section 8.1.2 or 8.4.2**.

8.3.2 Subsequent Elections – Following the Compensation Deferral Agreement Deadline for the filing of their initial Compensation Deferral Agreement pursuant to **Section 8.3.1**, the Participant shall have no further right to file a revised Payment Option Election, or to alter any election set forth in a Payment Option Election filed with the Administrator, but the Participant shall have the right to make new elections from time to time. However, a new Payment Option Election may not be filed until the previous Payment Option Election (or a "default" payment distribution option under the last sentence of **Section 8.3.1**) has been in effect for at least one (1) Election Year. A new Payment Option Election shall be applicable only to deferrals in Election Years beginning after the filing of the new Payment Option Election, and all pre-existing elections shall remain in effect with respect to deferrals for the periods for which such elections were applicable.

8.3.3 Available Options – The Payment Option Election shall provide each Participant with the following choices:

8.3.3.1 Form of Distribution following a Separation from Service – The Participant may elect to have their distribution paid following a Separation from Service in either of the following three forms:

8.3.3.1.1 an immediate lump sum distribution on the date elected pursuant to **Section 8.3.3.2**; or

8.3.3.1.2 subject to **Section 8.1.1**, in five (5) annual installments commencing on the date elected pursuant to **Section 8.3.3.2** and thereafter on each of the next four anniversaries of that date. The first (1st) installment shall equal one-fifth of the balance of the Account, the second (2nd) installment shall equal one-fourth of the remaining

balance of the Account, the third (3rd) installment shall equal one-third of the remaining balance of the Account, the fourth (4th) installment shall equal one-half of the remaining balance of the Account, the fifth (5th) installment shall equal the entire remaining balance of the Account; or

8.3.3.1.3 for Election Years beginning on or after January 1, 2024, subject to **Section 8.1.1**, in ten (10) annual installments commencing on the date elected pursuant to **Section 8.3.3.2** and thereafter on each of the next nine anniversaries of that date. The first (1st) installment shall equal one-tenth of the balance of the Account, the second (2nd) installment shall equal one-ninth of the remaining balance of the Account, the third (3rd) installment shall equal one-eighth of the remaining balance of the Account, the fourth (4th) installment shall equal one-seventh of the remaining balance of the Account, the fifth (5th) installment shall equal one-sixth of the remaining balance of the Account, the sixth (6th) installment shall equal one-fifth of the remaining balance of the Account, the seventh (7th) installment shall equal one-fourth of the remaining balance of the Account, the eighth (8th) installment shall equal one-third of the remaining balance of the Account, the ninth (9th) installment shall equal one-half of the remaining balance of the Account, the tenth (10th) installment shall equal the entire remaining balance of the Account.

8.3.3.2 Timing of Distribution following a Separation from Service – The Participant may elect to have his or her distribution paid (or begun) on either of the first (1st) business day of the month after the (i) date of the Participant's Separation from Service; or (ii) the first (1st) anniversary of the Participant's Separation from Service (or, in either case, such later date as may be applicable by reason of **Section 8.1.2 or 8.4.2**).

8.3.3.3 Form of Death Benefit Distribution – Upon the death of a Participant who, pursuant to **Section 8.3.3.1.2 or 8.3.3.1.3**, had elected installments for their lifetime distribution, the balance of the Participant's Account shall be paid in accordance with the form of death benefit the Participant had elected in his or her Payment Option Election pursuant to **Section 8.2.1**.

8.3.3.4 In-Service Distributions – A Participant may elect to have the Value of the Participant's Account (including the Return thereon) credited for an Election Year, distributed in a lump sum distribution on August 1st of either the fifth (5th) calendar year or, for Election Years beginning on or after January 1, 2024, the tenth (10th) calendar year following the end of the Election Year for which such contributions were credited (or such later date as may be applicable by reason of **Section 8.4.2**). The lump sum distribution under this **Section 8.3.3.4** shall be in such form as is determined under **Section 8.4.1**. If a Participant elects an in-service distribution in his or her Payment Option Election under this **Section 8.3.3.4**, the Participant shall also make an election under the same Payment Option Election in accordance with **Sections 8.3.3.1 and 8.3.3.2** with respect to portion of the Participant's Account subject to such in-service distribution election to be effective in the event the Participant has a Separation from Service prior to the date the respective in-service distribution is made. If a Participant elects an in-service distribution under this **Section 8.3.3.4** but fails to make an election in accordance with the preceding sentence and has a Separation from Service prior to the date the respective in-service distribution is made, the portion of the Participant's Account subject to such election shall be distributed in a lump sum distribution on the first (1st) business day of the month following the

Participant's Separation from Service (or such later date as may be applicable by reason of **Section 8.1.2 or 8.4.2**).

8.3.4 Invalid Election – If a Payment Option Election does not conform to the requirements of Section 409A, then such Payment Option Election shall be void and the Participant shall be deemed not to have filed a Payment Option Election with respect to the portion of the Participant's Account to which such invalid Payment Option Election relates.

8.4. Administration of Distributions –

8.4.1 Mode of Distribution – The Company or an Affiliate shall make all distributions from each Participant's Account in cash based on the Value calculated in accordance with **Sections 6.3 and 6.4** of the portion of the Participant's Account (except as to distributions under **Section 8.3.3.4**, which, in the sole discretion of the Administrator, may be made in cash or in-kind in shares of the FT Funds to which the portion of the Participant's Account being distributed was deemed invested).

8.4.2 Administrative Delay – All distributions made pursuant to this **ARTICLE VIII** shall be made on or as soon as administratively practicable after the stated date of distribution provided in this **ARTICLE VIII**, without regard to this **Section 8.4.2**, but in no event later than the end of the Participant's taxable year which includes such stated date of distribution or, if later, two and one-half (2½) months after such stated date of distribution, provided that the Participant is not permitted directly or indirectly to designate the taxable year of the payment, or

8.4.3 Deductions – Any amounts payable under the Plan shall be subject to such deductions or withholdings, including, without limitation, any federal and state income taxes and FICA taxes as may be required by law, but shall not be deemed to be salary or other compensation for the purpose of computing benefits to which the Participant may be entitled under any retirement plan or other arrangement of the Company or any Affiliate for the benefit of its employees generally. With respect to distributions which are made in-kind in shares of FT Funds under **Section 8.3.3.4**, in lieu of such tax withholding, the Participant may pay to the Company or an Affiliate on or before the Distribution Date the amount the Company or Affiliate would otherwise deposit as federal and state income taxes and FICA taxes with respect to the distribution and thus avoid having to have the distribution reduced by such tax withholding; otherwise, the Participant shall be required to pay to the Company or Affiliate the amount the Company or Affiliate is required to deposit as tax withholding on or before the due date of the deposit.

8.4.4 Payment to Minor or Incompetent – If any person to whom a payment is due under the Plan is a minor, or is found by the Administrator to be incompetent by reason of physical or mental Disability, the Administrator shall have the right to cause the payments becoming due to such person to be made to another for their benefit, without responsibility of the Administrator to see to the application of such payments, and such payments will constitute a complete discharge of the liabilities of the Company or Affiliate with respect thereto.

8.4.5 Domestic Relations Order – To the extent permitted by and consistent with the provisions of Section 409A, payments shall be made to an alternate payee of the Participant to the extent required under a Domestic Relations Order (a "DRO") as defined by

Section 414(p)(1)(B) of the Code, that is applicable to the Plan. Any amount payable under the Plan to an alternate payee under a DRO shall be paid to the alternate payee designated in such DRO rather than to the Participant; provided, however, that such payment: (i) shall be reported for income tax purposes as a payment to the Participant, and (ii) shall only be paid to the alternate payee in such form, and at such time, as it would have been paid to the Participant but for the DRO.

8.4.6 Location of Participants and Beneficiaries – Any communication, statement or notice addressed to a Participant (or Beneficiary) at their last post office address filed with the Company or an Affiliate, or if no such address was filed with the Company or an Affiliate then at their last post office address as shown on the Company's or Affiliate's records, shall be binding on the Participant (or Beneficiary) for all purposes of the Plan. Except for the sending of a registered letter to the last known address, the Administrator shall not be obliged to search for any Participant (or Beneficiary). If the Administrator notifies any Participant (or Beneficiary) that he or she is entitled to an amount under the Plan and the Participant (or Beneficiary) fails to claim such amount or make their location known to the Administrator within three (3) years, then, except as otherwise required by law, the Administrator shall have the right to treat the amount payable as a forfeiture.

8.4.7 Compliance with Section 409A – Notwithstanding anything herein to the contrary, all distributions hereunder are intended to be made in accordance with the provisions of Section 409A (to the extent applicable), and to the extent that Section 409A applies to any provision of the Plan and such provision is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the provision complying with the applicable provisions of Section 409A. Each payment under the Plan shall be treated as a separate payment for purposes of Section 409A.

8.5. Limitation on Payment Liability – The Company's or Affiliate's obligation to make any benefit distribution payment pursuant to this **ARTICLE VIII** (or otherwise under the Plan) shall be limited to the amount credited to the Participant's Account as of the valuation date pertaining to such payment. Neither the Plan nor any action taken pursuant thereto guarantees any fixed dollar amount of payments to the Participant or their Beneficiary, estate or representative. The amount of payment under the Plan shall vary in accordance with the provisions of **ARTICLE VI**, and neither the Company, any Affiliate or the Administrator, nor any of their representatives, shall be responsible for any decrease in value of the Account by reason of investment performance reflected therein.

ARTICLE IX

Payments Due to Unforeseeable Emergency

9.1. Request for Payment – If a Participant suffers an Unforeseeable Emergency, he or she may submit a written request to the Administrator for payment of his or her Account.

9.2. No Payment If Other Relief Available – The Administrator will evaluate the Participant's request for payment due to an Unforeseeable Emergency taking into account the Participant's circumstances and the requirements of Section 409A. In no event will payments be

made pursuant to this **ARTICLE IX** to the extent that the Participant's hardship can be relieved: (a) through reimbursement or compensation by insurance or otherwise; (b) by liquidation of the Participant's assets, to the extent that liquidation of the Participant's assets would not itself cause severe financial hardship; or (c) by the cessation of deferrals under the Plan.

9.3. Limitation on Payment Amount – The amount of any payment made on account of an Unforeseeable Emergency shall not exceed the amount reasonably necessary to satisfy the Participant's financial need, including amounts necessary to pay any Federal, state or local income taxes or penalties reasonably anticipated to result from the payment, as determined by the Administrator.

9.4. Timing of Payment – Payments made pursuant to this **ARTICLE IX** from a Participant's Account shall be made as soon as practicable following the Administrator's determination that an Unforeseeable Emergency has occurred, but in no event later than the end of the Participant's taxable year in which such determination is made by the Administrator.

ARTICLE X

Administration

10.1. Administrative Authority – Except as otherwise specifically provided herein, the Company shall have the sole responsibility for and the sole control of the operation and administration of the Plan, and shall have the power and authority to take all action and to make all decisions and interpretations which may be necessary or appropriate in order to administer and operate the Plan, including, without limiting the generality of the foregoing, the power, duty and responsibility to: (i) resolve and determine all disputes or questions arising under the Plan, including the power to determine the rights of Employees, Participants and Beneficiaries, and their respective benefits, and to remedy any ambiguities, inconsistencies or omissions; (ii) adopt such rules of procedure and regulations as in its opinion may be necessary for the proper and efficient administration of the Plan and as are consistent with the Plan; (iii) implement the Plan in accordance with its terms and such rules and regulations; (iv) notify the Participants of any amendment or termination of, or of a change in any benefits available under, the Plan; and (v) prescribe such forms as may be required for Employees to make elections under, and otherwise participate in, the Plan. The power and authority of the Company under the Plan shall be delegated in the manner described in **Section 10.2**.

10.2. Plan Administration – The Plan shall be operated and administered on behalf of the Company by an Administrator. The Administrator shall be governed by the following:

10.2.1 FT Sub shall be the Administrator in the absence of any designation to the contrary by the Company. Alternatively, FT Sub may establish an Administrative Committee pursuant to **Section 10.3** to act as the Administrator. Except as the Company shall otherwise expressly determine, the Administrator shall have full authority to act for the Company before all persons in any matter directly pertaining to the Plan, including the exercise of any power or discretion otherwise granted to the Company pursuant to the terms of the Plan. However, the following powers shall be reserved to the Company and/or FT Sub, as applicable, even if an Administrative Committee is appointed as Administrator: (i) the power to amend or terminate the

Plan (including exercise of the discretion described in **Section 11.3**) and (ii) the power to appoint the membership of the Administrative Committee pursuant to **Section 10.3.1**.

10.2.2 The Administrator may appoint any persons or firms, or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the administration and operation of the Plan; and the Administrator shall be entitled to rely conclusively upon, and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such firms or persons. The Administrator shall have the power and authority to delegate from time to time all or any part of its duties, powers or responsibilities under the Plan, both ministerial and discretionary, as it deems appropriate, to any person, and in the same manner to revoke any such delegation of duties, powers or responsibilities. Any action of such person in the exercise of such delegated duties, powers or responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Administrator.

Further, the Administrator may authorize one or more persons to execute any certificate or document on behalf of the Administrator, in which event any person notified by the Administrator of such authorization shall be entitled to accept and conclusively rely upon any such certificate or document executed by such person as representing action by the Administrator until such third person shall have been notified of the revocation of such authority. The Administrator shall not be liable for any act or omission of any person to whom the Administrator's duties, powers or responsibilities have been delegated, nor shall any person to whom any duties, powers or responsibilities have been delegated have any liabilities with respect to any duties, powers or responsibilities not delegated to him.

10.2.3 All representatives of the Company and FT Sub and/or members of the Administrative Committee shall use ordinary care and diligence in the performance of their duties pertaining to the Plan, but no such individual shall incur any liability: (i) by virtue of any contract, agreement, bond or other instrument made or executed by him or on their behalf in their official capacity with respect to the Plan, (ii) for any act or failure to act, or any mistake or judgment made, in their official capacity with respect to the Plan, unless resulting from their gross negligence or willful misconduct, or (iii) for the neglect, omission or wrongdoing of any other person involved with the Plan. The Company shall indemnify and hold harmless each such individual who is an Employee from the effects and consequences of their acts, omissions and conduct in their official capacity with respect to the Plan, except to the extent that such effects and consequences shall result from their own willful misconduct or gross negligence. If any matter arises as to which an individual is entitled to indemnity hereunder, the indemnitee shall give the Company prompt written notice thereof. The Company, at its own expense, shall then take charge of the disposition of the asserted liability, including compromise or the conduct of litigation. The indemnitee may, at their own expense, retain their own counsel and share in the conduct of any such litigation, but the failure to do so shall not adversely affect their right to indemnity.

10.2.4 Nothing in the Plan shall be construed so as to prevent any person involved in administration of the Plan from receiving any benefit to which he or she may be entitled as a Participant.

10.2.5 Expenses incurred in the administration and operation of the Plan (including the cost of any Returns and the functioning of the Administrative Committee) shall be paid by the Company or the Affiliates in proportion to the level of participation for their employees in the Plan for the respective Election Year, determined by the Administrator in such manner as it determines in its sole discretion. Notwithstanding anything to the contrary herein, distributions under the Plan may be made by the Company or any Affiliate as authorized by the Administrator.

10.3. **Administrative Committee** – FT Sub may designate and appoint a committee, to be known as the Administrative Committee, as Administrator. If an Administrative Committee is not appointed, the officers of FT Sub shall comprise the Administrative Committee. Except to the extent that the Company or FT Sub has retained any power or authority, or allocated duties and responsibilities to another, the Administrative Committee shall have full power and authority to administer and operate the Plan in accordance with its terms and in particular the authority contained in this **ARTICLE X**, and, in acting pursuant thereto, shall have full power and authority to deal with all persons in any matter directly connected with the Plan, in accordance with the following provisions:

10.3.1 The Administrative Committee shall consist of one or more individuals designated by FT Sub. Subject to their right to resign at any time, each member of the Administrative Committee shall serve (without compensation, unless otherwise determined by FT Sub) at the pleasure of FT Sub, and FT Sub may appoint, and may revoke the appointment of, additional members to serve with the Administrative Committee as may be determined to be necessary or desirable from time to time. Each member of the Administrative Committee, by accepting their appointment to the Administrative Committee, shall thereby be deemed to have accepted all of the duties and responsibilities of such appointment, and to have agreed to the faithful performance of their duties thereunder.

10.3.2 The Administrative Committee shall adopt such formal organization and method of operation as it shall deem desirable for the conduct of its affairs. The Administrative Committee shall act as a body, and the individual members of the Administrative Committee shall have no powers and duties as such, except as provided herein; the Administrative Committee shall act by vote of a majority of its members at the time in office, either at a meeting or in writing without a meeting.

10.3.3 Subject to **Section 10.5**, the determination of the Administrative Committee on any matter pertaining to the Plan within the powers and discretion granted to it shall be final and conclusive on all Participants and all other persons dealing in any way or capacity with the Plan.

10.4. **Third Party Services** – The Company, FT Sub or the Administrator may contract with any third party to provide services under the Plan for the convenience of the Company, FT Sub or the Administrator, including, but not limited to, the enrollment of Covered Employees as Participants, the maintenance of individual or other accounts and other records, the making of periodic reports and the disbursement of benefits to Participants and Beneficiaries.

10.5. Claims Procedure – A claims procedure (including a procedure for review of an adverse claim determination) that is intended to meet the requirements of Section 503 of ERISA and DOL Regs. § 2560.503-1, is annexed to the Plan as Appendix A.

ARTICLE XI

Amendment and Termination

11.1. Right to Amend – Subject to **Sections 11.5 and 11.6**, the Company and/or FT Sub shall have the right to amend the Plan in writing, at any time, and with respect to any provisions hereof, and all parties hereto or claiming any interest hereunder shall be bound thereby. The Company and/or FT Sub shall generally act through the Administrator in actions under this **ARTICLE XI**.

11.2. Amendment Required by Federal Law – Notwithstanding the provisions of **Section 11.5**, the Plan may be amended at any time, retroactively if required, by the Company or FT Sub if found necessary in order to conform to the provisions and requirements of the Code (including, without limitation, Section 409A) or ERISA, or any similar act or any amendments thereto or regulations promulgated thereunder.

11.3. Right to Freeze or Terminate Plan – Subject to **Sections11.5 and 11.6** and the remainder of this section, the Company, FT Sub and, as to its own Participants, each Affiliate, reserves the right, at any time, and in its sole discretion, to freeze contributions and/or terminate the Plan, as follows:

11.3.1 Contribution Freeze – The Company or FT Sub may, at any time and from time to time, terminate **Section 5.2** Compensation Deferral Contributions, or suspend such contributions for a fixed or indeterminate period of time. As to its own Participants, an Affiliate may, at any time, and from time to time, terminate **Section 5.2** Compensation Deferral Contributions, or suspend such contributions, for a fixed or indeterminate period of time. In connection therewith, the Company, FT Sub or Affiliate, as applicable, may, but need not, suspend or terminate the ability of new Participants to enter the Plan (as otherwise provided for in **ARTICLE III**).

11.3.1.1 Impact of Contribution Freeze – In the event of action by the Company, FT Sub or an Affiliate to freeze (*i.e.*, suspend or terminate) contributions, as described in this section, all affected contributions shall immediately cease, except as described in **Section 11.3.1.2**, but all other aspects of the Plan shall be continued, in which event distributions shall be made in accordance with **ARTICLE VII and ARTICLE VIII**, unless and until the Company, FT Sub or the Affiliate (if it is unrelated), as applicable, terminates the Plan in accordance with **Section 11.3.2**.

11.3.1.2 Potential Deferral of Contribution Freeze – Notwithstanding the provisions of **Section 11.3.1.1**, unless circumstances exist that would permit termination of the Plan pursuant to **Section 11.3.2**, **Section 5.2** Compensation Deferral Contributions may not be terminated during their period of irrevocability. Accordingly, unless such circumstances are extant at the time the Company or FT Sub acts to freeze **Section 5.2**

Compensation Deferral Contributions, cessation of such contributions shall be deferred until, as described in **ARTICLE IV**, the affected Participants' Compensation Deferral Agreements would lapse by their terms.

11.3.2 Plan Termination – The Company, FT Sub or, as to its own Participants, an unrelated Affiliate may terminate the Plan at any time, but only if the conditions described in **Section 11.3.2.1** are extant at the time at which the Company, FT Sub or the unrelated Affiliate acts to terminate the Plan (or such later date as of which the termination is to be effective).

11.3.2.1 Circumstances Under Which Plan May Terminate – Unless otherwise permitted under Section 409A, the Plan may terminate only if one or more of the following sets of circumstances exist on the date such termination is to be effective:

11.3.2.1.1 Dissolution or Bankruptcy – Termination and liquidation of the Plan: (i) within twelve (12) months of a corporate dissolution taxed under Section 331 of the Code, or (ii) with the appointment of a bankruptcy court pursuant to 11 U.S.C. § 503(b)(1)(A), in either case under conditions described in § 1.409A-3(j)(4)(ix)(A) of the Regulations.

11.3.2.1.2 Change in Control – Termination and liquidation of the Plan pursuant to irrevocable action taken by the Company, FT Sub or, as to its own Participants, an unrelated Affiliate within the thirty (30) days preceding or the twelve (12) months following a Change in Control Event under conditions described in § 1.409A-3(j)(4)(ix)(B) of the Regulations. For this purpose, a "Change in Control Event" is any one of the following (to the extent that it qualifies as such under § 1.409A-3(i)(5) of the Regulations): (i) a change in ownership within the meaning of § 1.409A-3(i)(5)(v) of the Regulations, (ii) a change in effective control within the meaning of § 1.409A-3(i)(5)(vi) of the Regulations, or (iii) a change in the ownership of assets within the meaning of § 1.409A-3(i)(5)(vii) of the Regulations.

11.3.2.1.3 Other Plan Termination – Termination and liquidation of the Plan under the conditions described in § 1.409A-3(j)(4)(ix)(C) of the Regulations.

11.3.2.1.4 Other Circumstances – Termination and liquidation of the Plan under such circumstances as may be prescribed in generally applicable guidance published by the Internal Revenue Service.

11.3.2.2 Impact of Plan Termination – Upon termination of the Plan: (i) eligibility of new Participants to enter the Plan pursuant to **ARTICLE III** shall cease, (ii) all contributions to the Plan shall cease, and (iii) the entire Account of each affected Participant (or Beneficiary) shall be distributed in a single lump sum (notwithstanding any continuing elections by the affected Participants as to form or timing of distributions), such distribution to occur as soon as administratively practicable, but, where applicable, only within the time parameters set forth in **Section 11.3.2.1**.

11.3.2.3 Pre-Existing Distribution Rights – Termination of the Plan shall not affect the form or timing of benefits to any Participant who becomes entitled thereto pursuant to **ARTICLE VI** and **ARTICLE VIII** without regard to the Plan termination, but only

to the extent that such payments would have been made prior to the date on which the lump sum distribution of all distributions upon Plan termination, pursuant to **Section 11.3.2.2**, is to be made.

11.4. Employer-Level Change – Subject to **Section 11.6**:

11.4.1 Cessation of Business – Notwithstanding any other provision of the Plan to the contrary, in the event the Company ceases to actively carry on the trade or business in which a Participant was employed and if the cessation is not pursuant to a transaction whereby a successor entity assumes the obligations under the Plan (including the sale of all of the stock of an Affiliate), the entire value of the Account of an affected Participant shall be distributed in a single lump sum to the Participant (or, in the event the Participant is not then living, to the Beneficiary designated in accordance with **Section 8.2**) on such Distribution Date permitted by applicable Regulations, but only if, in connection with the cessation of business: (i) the cessation is in conjunction with an event that constitutes a permissible payment event described in **Section 11.3.2**, or (ii) the distribution is otherwise permitted under regulations or other guidance issued by the Internal Revenue Service under Section 409A on the basis that a Change in Control Event as defined in **Section 11.3.2.1** has occurred.

11.4.2 Successor to Company – In the event of the merger, consolidation, sale of all or substantially all the assets, or reorganization, of the Company:

11.4.2.1 Provision may be made by which the Plan will be continued by the successor employer, in which case such successor shall be substituted for the Company under the Plan and **Section 10.4.1** shall not apply to the transaction. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor and the successor shall have all of the powers, duties and responsibilities of the Company under the Plan.

11.4.2.2 If the action described in **Section 11.4.2.1** has not been taken within ninety (90) days from the effective date of the transaction, the Plan shall be deemed to have been terminated as of the effective date of the transaction, but not earlier than the earliest date permitted under **Section 11.3.2.1**, and the provisions of **Section 11.3.2** shall be applicable thereto.

11.4.2.3 In the event of a transaction described in this section which applies to a portion of the Company, the provisions of this section shall apply only to the employees transferred in connection therewith.

11.5. Preservation of Rights – Amendment or termination of the Plan shall not affect the rights of any Participant (or Beneficiary) to payment of the amount in their Account, to the extent that such amount was payable under the terms of the Plan prior to the effective date of such amendment or termination. However, no action taken in accordance with **Section 11.2 or 11.3** shall be deemed prejudicial to any interest of any Employee or Participant.

11.6. Section 409A Compliance – The Plan may not be amended or terminated in any way that results in a violation of Section 409A. In particular, except to the extent permitted by § 1.409A-3(j) of the Regulations, no amendment or termination of the Plan shall in any way (including a change in form of distribution) result in acceleration of the timing or amount of any payment (or any portion thereof) due under the Plan. An amendment that permits acceleration for any one or more of the reasons that constitute exceptions to the prohibition on acceleration of

payments, pursuant to § 1.409A-3(j)(4) of the Regulations, shall not be deemed to be in violation of this section.

ARTICLE XII

Miscellaneous

12.1. Limitations on Liability of Company – Neither the establishment of the Plan nor any modification thereof, nor the creation of any Account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Company or any Affiliate (or any person connected therewith), except as provided by law or by any Plan provision. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a fiduciary relationship between the Company or any Affiliate (or any person connected therewith) and any Participant, Beneficiary or other person. In no event shall the Company or any Affiliate (or any person connected therewith) be liable to any person for the failure of any Participant, Beneficiary or other person to be entitled to any particular tax consequences with respect to the Plan or any contribution thereto or distribution therefrom.

12.2. Construction – The Plan is intended to be exempt from ERISA (other than reporting and disclosure requirements and claims procedures, as to which no exemption is available) and, if any provision of the Plan is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the Plan being so exempted. In case any provision of the Plan shall be held to be illegal or void, such illegality or invalidity shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein. For all purposes of the Plan, where the context admits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the plural shall include the singular. Headings of articles and sections are inserted only for convenience of reference and are not to be considered in the construction of the Plan. Except to the extent preempted by the laws of the United States of America, the laws of Maryland shall govern, control and determine all questions arising with respect to the Plan and the interpretation and validity of its respective provisions. Participation under the Plan will not give any Participant the right to be retained in the service of the Company or an Affiliate or any right or claim to any benefit under the Plan unless such right or claim has specifically accrued hereunder. The Plan shall be construed in such manner as to comply with Section 409A.

12.3. Spendthrift Provision – No amount payable under the Plan will, except as otherwise specifically provided by law, be subject in any manner to anticipation, alienation, attachment, garnishment, sale, transfer, assignment (either at law or in equity), levy, execution, pledge, encumbrance, charge or any other legal or equitable process, and any attempt to do so will be void; nor will any benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled thereto. The foregoing shall not preclude any arrangement for: (i) the withholding of taxes from Plan benefit payments, (ii) the recovery by the Plan of overpayments of benefits previously made to a Participant, or (iii) the direct deposit of benefit payments to an account in a banking institution (if not part of an arrangement constituting an assignment or alienation).

In the event that any Participant's benefits are garnished or attached by order of any court, the Company may bring an action for a declaratory judgment in a court of competent jurisdiction to determine the proper recipient of the benefits to be paid by the Plan. During the pendency of said action, any benefits that become payable shall be paid into the court as they become payable, to be distributed by the court to the recipient it deems proper at the close of said action.

12.4. Tax Consequences of Payments – The Company does not make any representations as to the tax consequences of any compensation or benefits provided hereunder (including, without limitation, under Section 409A). The Participant is solely responsible for any and all income, excise or other taxes imposed on Participant with respect to any and all compensation or other benefits provided to Participant.

12.5. Limitation of Rights: No Contract of Employment – The terms of the Plan shall not be deemed to constitute a contract of employment between any member of the Employer Group and the Participant, and the Participant (or their Beneficiary) shall have no rights against any member of the Employer Group except as may be specifically provided herein. Moreover, nothing in the Plan shall be deemed to limit in any way the right of the Company or an Affiliate to terminate a Participant's employment at any time or be evidence of any agreement or understanding, express or implied, that the Company or an Affiliate will employ a Participant in any particular position or at any particular rate of remuneration.

* * *

IN WITNESS WHEREOF, the Plan is executed effective as of the Effective Date.

FRANKLIN RESOURCES, INC.

By: /s/ Gwen L. Shaneyfelt
Gwen L. Shaneyfelt
Chief Accounting Officer

APPENDIX A

FRANKLIN RESOURCES, INC.
DEFERRED COMPENSATION FUND PLAN

CLAIMS PROCEDURE

Initial Claim

If you dispute any issue regarding the Plan, you may file a written claim under the Plan's claims procedure. Your claim must state the specific reason(s) why you believe you are entitled to the benefit for which you are applying or the issue for which you are filing a claim, and must be delivered to the Administrator (at the normal Company address, unless the Administrator provides a different address).

You will be provided a written or electronic notice of the determination of your claim. If your claim is denied, the Administrator will provide you with a notice of the adverse determination, setting forth: (i) the specific reason(s) for the denial, (ii) specific reference to pertinent Plan provisions on which the denial is based, (iii) a description of any additional material or information necessary for you to perfect your claim and an explanation of why such material or information is necessary, and (iv) an explanation of the Plan's appeal procedure (including applicable time limits and a statement that, if your claim is adversely decided on appeal, you may bring a civil action under Section 502(a) of ERISA).

The adverse determination notice will be provided to you within ninety (90) days after your claim has been received. However, in special circumstances requiring an extension, the ninety (90)-day period may be extended (for not more than an additional ninety (90) days unless you agree), if the Administrator gives you written notice, before the end of the initial ninety (90)-day period, setting forth the reason(s) for the extension and the estimated decision date. If the extension notice indicates that the extension is needed because you have not provided information necessary to decide your claim, and the notice asks for that information, the time limit on the extension does not begin to run until you have provided the requested information.

Appeal

If you have received an adverse determination notice, you are entitled to an appeal. You must submit your written appeal to the Administrator within sixty (60) days following the date on which you received the adverse determination notice. You may submit written comments, documents, records and other information relating to your claim (regardless of whether such information was submitted or considered in arriving at the initial adverse determination). Upon request, you will be provided (free of charge) with reasonable access to, and copies of, all documents, records and other information *relevant* to your claim. For these purposes, an item is relevant if: (i) it was relied upon in making the initial claim determination, or (ii) it was submitted, considered or generated in the course of actually making the initial claim determination, or (iii) it demonstrates compliance with the requirement that claim determinations be made in accordance with the applicable Plan provisions consistently applied.

Your appeal will be given full and fair consideration. You will be provided a written or electronic notice of the determination of your appeal. If your appeal is denied, the Administrator will provide you with a notice of the adverse determination, setting forth: (i) the specific reason(s) for the adverse determination, (ii) reference to the specific Plan provisions on which the determination is based, (iii) notice of your right to bring a civil action under Section 502(a) of ERISA, and (iv) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim.

Notice of the decision on your appeal will be provided to you within sixty (60) days after your appeal has been received. However, in special circumstances requiring an extension, the sixty (60)-day period may be extended (for not more than an additional sixty (60) days unless you agree), if the Administrator gives you written notice, before the end of the initial sixty (60)-day period, setting forth the reason(s) for the extension and the estimated decision date. If the extension notice indicates that the extension is needed because you have not provided information necessary to decide your appeal, and the notice asks for that information, the time limit on the extension does not begin to run until you have provided the requested information.

General

You are required to complete both the initial claim procedure and the appeal procedure before you may exercise any right to bring a civil action under Section 502(a) of ERISA (*i.e.*, to file suit in a federal or state court). During the claim and appeal process, you must raise all issues and legal theories you wish to have considered at any time during the review process or any subsequent lawsuit. At any point in the claims procedure, you may designate someone to act as your duly authorized representative. However, you may be required to provide the Administrator with a written power of attorney or other evidence that the person is authorized to act for you.

No legal action, including a lawsuit, may be brought more than one (1) year after a final decision is rendered on an appeal. In addition to the one (1)-year deadline that applies to filing a lawsuit after the claim and appeal procedures are exhausted, there is a general time

limitation that applies to all lawsuits involving all types of Plan issues. You must commence any such lawsuit involving Plan claims no later than two (2) years after you first receive information that constitutes a clear repudiation of the rights you are seeking to assert (*i.e.*, the underlying event or issues that should have triggered your awareness that your rights under the Plan may have been violated). Any period of time when your claim is in the claim and appeal procedure described above (*i.e.*, the time between when you file your claim and the time you receive a final determination letter) does not count against the two (2)-year period.

The Administrator (or its delegate) has absolute authority and sole discretion to interpret and apply Plan provisions and determine facts, benefits and eligibility. All interpretations, decisions and determinations of the Administrator are intended to be final, conclusive and binding on all parties having an interest in the Plan.

LEGG MASON, INC.

AMENDED AND RESTASTED DEFERRED COMPENSATION FUND PLAN

AMENDED AND RESTATED
EFFECTIVE OCTOBER 6, 2023

LEGG MASON, INC.

AMENDED AND RESTATED DEFERRED COMPENSATION FUND PLAN

(As amended and restated effective October 6, 2023)

THIS AMENDED AND RESTATED LEGG MASON, INC. DEFERRED COMPENSATION FUND PLAN, as amended and restated effective February 1, 2021, and hereby further amended and restated effective **October 6, 2023** (the "Plan"), was adopted by LEGG MASON, INC. (the "Company") subject to the terms and conditions hereinafter set forth, as may be further amended from time to time.

R E C I T A L S

WHEREAS, the Company maintains the Plan;

WHEREAS, effective as of the close of business on December 31, 2020, the Plan was frozen and no deferrals of compensation have been, or will be, permitted under the Plan thereafter;

WHEREAS, Legg Mason & Co., LLC ("LM & Co.") maintained the Legg Mason & Co., LLC Deferred Compensation/Phantom Stock Fund Plan (2020 Amending Restatement), effective as of August 1, 2020 (the "Phantom Plan");

WHEREAS, effective as of the close of business on December 31, 2015, the Phantom Plan was frozen and no deferrals of compensation have been, or will be, permitted under the Phantom Plan thereafter;

WHEREAS, pursuant to its authority under Article X of the Phantom Plan, LM & Co. was authorized to amend the Phantom Plan at any time; and

WHEREAS, as of the Effective Date, the Company merged the Phantom Plan with and into the Plan to provide for the combined documentation and administration of the Phantom Plan and the Plan and the distribution of the accounts previously established thereunder pursuant to the Plan.

NOW, **THEREFORE**, the Company hereby amends and restates the Plan, effective as of the amendment date first set forth above.

ARTICLE I

General

1.1. **Purpose of Plan** – The Company has adopted the Plan to facilitate the administration, including distribution, of Account balances credited to the Plan as of the Effective Date.

1.2. **Nature of Plan** – The Plan is intended to be a non-qualified, unfunded plan maintained to provide deferred compensation to a select group of management and/or highly compensated employees, and is not intended to be subject to ERISA (other than Title I, Subtitle B, Part 1, Reporting and Disclosure, and Title I, Subtitle B, Part 5, Administration and Enforcement). The Plan is intended to comply in form and operation with Section 409A and shall be so interpreted.

1.3. **Provisions Applicable to Phantom Plan** – Notwithstanding any other provisions of the Plan to the contrary, the following shall be applicable:

1.3.1 Subject to the conditions and limitations of the Plan, each person who is a participant under the Phantom Plan immediately prior to the Effective Date will continue as a Participant under the Plan (each, a "Phantom Participant" and collectively, "Phantom Participants").

1.3.2 Amounts being paid to a former participant or beneficiary in accordance with the provisions of the Phantom Plan shall continue to be paid in accordance with the corresponding payment provisions of the Plan.

1.3.3 Any election or beneficiary designation in effect under the Phantom Plan immediately prior to the Effective Date shall be deemed to be a valid election or designation filed with the Company under the Plan, to the extent consistent with the provisions of the Plan, unless and until (subject to the limitations set forth in the Plan) the Participant revokes such election or designation or makes a new election or designation under the Plan.

1.4. **Frozen Status of the Plan** – No deferrals of Compensation have been, or will be, permitted under the Plan on or following the Effective Date.

1.5. **The Plan Year** – To the extent necessary for accounting or reporting purposes, the Plan shall have a fiscal year which shall be the calendar year.

ARTICLE II

Definitions

2.1. **Definitions** – The following terms, as used herein, unless a different meaning is implied by the context, shall have the following meanings:

Account – The account established for each Participant pursuant to Section 5.1, including, with respect to Phantom Participants, the account previously established for each Phantom Participant under the Phantom Plan.

Administrative Committee – The Administrative Committee appointed under Section 8.3 to serve as Administrator.

Administrator – The person, group or entity designated in accordance with the provisions of ARTICLE VIII to administer and operate the Plan.

Affiliate – Any member of the Employer Group other than the Sponsor. An entity which qualifies as an Affiliate solely because of the proviso in the definition of Employer Group substituting "at least 25%" for "at least 80%" in the cited authorities shall be referred to herein as an "unrelated" Affiliate in those instances where such distinction is required.

Beneficiary – Any person or persons so designated in accordance with the provisions of Section 7.2.

Code – The Internal Revenue Code of 1986, or any provision or section thereof herein specifically referred to, as such Code, provision or section may from time to time be amended or replaced.

Company – Legg Mason, Inc., a corporation duly organized and existing under the laws of the State of Maryland, and its successors and assigns, unless otherwise herein provided.

Compensation – A Participant's compensation for services performed for the Company or an Affiliate for purposes of calculating the Participant's deferrals under the Plan or the Phantom Plan, as applicable.

Compensation Deferral Agreement – The written or electronic agreement whereby a Participant elected to commence or resume participation in the Plan or the Phantom Plan, as applicable, and to defer Compensation pursuant to the terms of the Plan or the Phantom Plan, as applicable.

Covered Employee – Any Employee who is determined by the Administrator, in its sole and absolute discretion, to be a member of "a select group of management or highly compensated employees" within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

Distribution Date – The date on which a distribution is made pursuant to the terms of the Plan.

Distribution Event – As applicable, (i) the date of a Participant's Separation from Service or death, August 1 of the fifth (5^{th}) calendar year following an Election Year for which an in-service distribution is elected or any other permitted distribution event under Section 409A by reason of which the Participant becomes entitled to a benefit distribution under the terms of the Plan, or (ii) with respect to Phantom Participants, the sixth (6^{th}) business day following the date of a Phantom Participant's Separation from Service or death, or following the date of any other event by reason of which the Phantom Participant becomes entitled to a benefit distribution under the terms of the Plan.

Effective Date – The initial effective date of the amendment and restatement of the Plan to reflect the merger of the Phantom Plan with and into the Plan is **February 1, 2021**.

Election Year – The twelve (12)-month period to which a deferral election applies. The Election Year shall be the calendar year in all cases. Notwithstanding anything herein to the

contrary, no Election Year shall begin after (i) December 31, 2020, or (ii) with respect Phantom Participants, December 31, 2015.

Employee – Any person employed by the Company or an Affiliate that adopts the Plan.

Employer Group – A group of employers consisting of the Company and all other employers who are treated as a single employer under Section 414(b) and/or (c) of the Code; provided, however, that "at least 25%" shall be substituted for "at least 80%" in each place such phrase appears in Sections 1563(a)(1), (2) and (3) of the Code for purposes of applying Section 414(b) of the Code, and in § 1.414(c)-2 of the Regulations.

ERISA – The Employee Retirement Income Security Act of 1974, or any provision or section thereof herein specifically referred to, as such Act, provision or section may from time to time be amended or replaced.

FT Funds – Mutual, money market or index funds sponsored by Parent, a subsidiary of Parent, any entity in which Parent has a twenty-five percent (25%) or greater ownership interest, an Affiliate or any third party pursuant to the terms of the Parent 401(k) Plan. Notwithstanding the foregoing, and for the avoidance of doubt, investment in a FT Fund through a self-directed brokerage option under the Parent 401(k) Plan is **not** permitted as an investment option under this Plan.

Leave of Absence – An authorized absence from active employment under circumstances which are not treated by the Administrator as a Separation from Service, and with respect to which there is a reasonable expectation that the Participant will return to perform further services for the Employer Group.

LM 401(k) Plan – The Legg Mason Profit Sharing and 401(k) Plan and Trust (as amended from time to time).

Parent – Franklin Resources, Inc.

Parent 401(k) Plan – The Franklin Templeton 401(k) Retirement Plan, as amended from time to time.

Participant – Any person, including, where appropriate according to the context of the Plan, any former Employee, who has an Account (with an undistributed balance) under the Plan.

Payment Option Election – A written or electronic election pursuant to the Plan or the Phantom Plan, as applicable, whereby a Participant elected the form and/or timing of the distribution of all or a portion of the Participant's Account.

Plan – The plan set forth herein, as amended from time to time.

Regulations – Regulatory guidance promulgated by the Treasury Department with respect to Section 409A and, where appropriate, other sections of the Code (as such regulations are presently written or subsequently proposed, finalized, amended, supplemented or replaced).

Return – The amount calculated under Section 5.5.

Section 409A – Section 409A of the Code (as now or hereafter amended or replaced) and the Regulations and other Internal Revenue Service guidance issued thereunder.

Separation from Service – A retirement or other termination of employment with the Employer Group under circumstances which do not constitute a Leave of Absence, and which meet the requirements of Regulations Section 1.409A-1(h). Where appropriate to the context, a Participant's termination of employment by reason of death shall be deemed to be a Separation from Service.

Notwithstanding the foregoing, a Leave of Absence shall be deemed to constitute a Separation from Service if the period of leave exceeds six (6) months (or such longer period for which the Participant retains re-employment rights with the Employer Group under an applicable statute or contract). However, if the Leave of Absence is due to a medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, which impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a twenty-nine (29)-month period of absence shall be substituted for such six (6)-month period.

Sponsor – The Company and its successors and assigns.

Value – The contributions and Return allocated to an Account less the amount of any distributions and forfeitures from the Account hereunder.

2.2. Statutory References – Statutory references in the Plan shall incorporate by reference all regulations, rulings, procedures, releases and other position statements issued by the relevant governmental agency with respect to such statutory provision.

ARTICLE III

Participation

3.1. Participation – In accordance with Section 1.3, each participant under the Plan or the Phantom Plan, as applicable, immediately prior to the Effective Date shall continue as a Participant under the Plan until such time as there is no longer an undistributed balance in the Participant's Account.

ARTICLE IV

Contributions

4.1. Nature of Contributions – Contributions described in this ARTICLE IV shall not represent actual deposits to a separate fund or trust, but shall be bookkeeping entries in the form of credits to the Accounts of the Participants on whose behalf the contributions were made.

4.2. Compensation Deferral Contributions – By so electing in his or her Compensation Deferral Agreement, each Participant elected to defer Compensation (which would otherwise have been paid to the Participant) pursuant to the terms of the Plan or Phantom Plan, as applicable, and, in lieu of payment of the deferred portion of the Participant's Compensation to the Participant as earned, the deferred Compensation was credited to the Participant's Account.

4.3. Effect of Compensation Deferrals – With respect to any other employee benefit or welfare plan sponsored by the Company or an Affiliate under which the amount of any benefit is based on the compensation paid to an employee, a Participant's compensation for the purpose of such employee benefit or welfare plan shall not include the amount of any Compensation deferrals under the Plan, unless otherwise specifically provided in such other plan.

ARTICLE V

Participant Accounts

5.1. Account Established for Each Participant – An individual Account shall be established on the books of the Company or an Affiliate in the name of each Participant, for the purpose of accounting for contributions credited to, and benefits paid to or on behalf of, the Participant, and to account for incremental adjustments pursuant to Sections 5.4 and 5.5. Each Account shall be divided into such subaccounts, if any, as the Administrator deems appropriate to properly implement the provisions of the Plan.

5.2. Phantom Participants – An Account shall be established for each Phantom Participant (or a subaccount, as applicable), the opening balance of which shall be an amount equal to the product of (x) the fair market value of a share of common stock of Parent determined based on the average of the closing prices on the principal exchange on which the shares are traded for the five (5) business days immediately preceding the Effective Date, and (y) the number of units credited to a Phantom Participant's Account as of the close of business on **January 31, 2021**.

5.3. No Funding Requirement –

5.3.1 General – Neither the Company nor any Affiliate shall be required to purchase, hold or dispose of any investments with respect to amounts credited to the Account, their only obligation being to make payments as described in ARTICLE VII. Should the Company or an Affiliate elect to make contributions to a trust (hereinafter referred to as a "Trust") to assist the Company or Affiliate in paying the benefits which may accrue hereunder, the amounts contributed shall be used to purchase the deemed investments under Section 5.4, subject to application of the provisions of this Section 5.3 to the actual investments. However, contributions

to a Trust shall not reduce or otherwise affect the Company's or Affiliate's liability to pay benefits under the Plan (which benefits may be paid from a Trust or from the Company's or Affiliate's general assets, in the discretion of the Administrator), except that the Company's or Affiliate's liability shall be reduced by actual benefit payments from a Trust (and the Account shall be appropriately adjusted to reflect such payments). If any such investments, or any contributions to a Trust, are made by the Company or an Affiliate, such investments shall have been made solely for the purpose of aiding the Company or Affiliate in meeting its obligations under the Plan. To the extent that the Company or Affiliate does, in its discretion, purchase or hold any such investments (other than through contributions to the Trust), the Company or Affiliate will be named sole owner of all such investments and of all rights and privileges conferred by the terms of the instruments or certificates evidencing such investments. Nothing stated herein will cause such investments, or a Trust, to form part of the Account, or to be treated as anything but the general assets of the Company or Affiliate, subject to the claims of its general creditors, nor will anything stated herein cause such investments, or a Trust, to represent the vested, secured or preferred interest of the Participant or his or her Beneficiaries. The Company or Affiliate shall have the right at any time to use such investments not held in the Trust in the ordinary course of its business. Neither the Participant nor any of his or her Beneficiaries shall at any time have any interest in the Account or a Trust or in any such investments, except as a general, unsecured creditor of the Company or any Affiliate to the extent of the deferred compensation arrangement which is the subject of the Plan.

5.3.2 **Off-Shore Prohibition** – To the extent that the Company or an Affiliate actually makes contributions to a Trust, or otherwise directly or indirectly sets aside assets to assist in paying any benefits which may accrue hereunder, then, except as otherwise permitted by regulations or other guidance issued by the Internal Revenue Service under Section 409A(b), neither such assets, nor a Trust itself, shall be located or transferred outside of the United States (except to a foreign jurisdiction in which substantially all of the services giving rise to the benefits accruing hereunder are performed).

5.4. **FT Funds** – A Participant's Account shall be deemed to be invested in the FT Funds designated or deemed designated by the Participant in accordance with this Section 5.4 or Section 5.6 for the purpose of determining the Account's Value, which shall be the amount of contributions credited to the Account, together with the Return (positive or negative) on the Account, less any distributions or forfeitures from the Account. However, a Participant's Account does not represent the Participant's ownership of, or any ownership interest in, any FT Fund. Except as the Administrator shall otherwise determine, the FT Funds available for designation by Participants under the Plan shall be the same as those FT Funds in the Parent 401(k) Plan as of any relevant time, and, until such time that the LM 401(k) Plan is dissolved or a fund is no longer available for designation under the LM 401(k) Plan, any FT Funds available for designation by Participants in the LM 401(k) Plan as of the Effective Date, in each case, excluding any funds the Administrator chooses to exclude. However, the Administrator may, in its sole discretion, alter, modify, or eliminate any FT Fund option that is used to calculate the Return on any of the Participant's Accounts under the Plan in accordance with changes made under the Parent 401(k) Plan, the LM 401(k) Plan or otherwise. In the event the Administrator so alters, modifies or eliminates any FT Fund option, the Administrator shall, in its sole discretion, determine the appropriate reallocation of the FT Funds or substitution of another FT Fund that shall be used to calculate the Return on the affected Participant's Accounts; provided that, except as the

Administrator shall otherwise determine, if such alteration, modification or elimination of an FT Fund option occurs as a result of a similar action taken under the Parent 401(k) Plan or the LM 401(k) Plan, as applicable, any reallocation of the FT Funds or substitution of another FT Fund hereunder shall track such reallocation or substitution under the Parent 401(k) Plan or the LM 401(k) Plan, as applicable. The FT Funds resulting from such reallocation or substitution shall be deemed to have been designated by the Participant until such time as a different designation of FT Funds by the Participant as to the respective amounts in the Participant's Account takes effect.

5.5. **Return** – Each Participant's Account will be adjusted from time to time (at least monthly) to reflect the gains and losses that would be ascribed to the Account if the amounts credited to the Account were actually invested in the FT Funds designated or deemed designated by the Participant. In the event an FT Fund designated or deemed designated by a Participant pays dividends, distributes capital gains, or makes other distributions, the amount of such dividends and distributions shall be credited to the Participant's Account as of the time of such adjustments and treated as part of the Return.

5.6. **Participant Investment Designations** – The Administrator may establish uniform rules and procedures to be followed with respect to the deemed investment of Participants' Accounts in FT Funds. Participant investment designations shall be governed by the following provisions:

5.6.1 The Administrator shall determine the manner, period, and frequency of investment designations (*e.g.*, daily, weekly, monthly, quarterly or annually). Different terms and conditions may be specified for different FT Funds (*e.g.*, monthly designations for one FT Fund and quarterly designations for another FT Fund). Any term or condition imposed by the Administrator may apply to a Participant's entire Account or may be applied separately to different investment media or to different types of contributions.

5.6.2 Except as the Administrator shall otherwise determine, any initial or subsequent investment designation shall be in writing or filed electronically, on a form or in a format supplied or approved by the Administrator or its designee, and filed with the Administrator or its designee, and shall be effective on such date as may be specified by the Administrator or its designee. The Administrator may arrange for telephone, internet or other electronic investment designations, and may establish (and thereafter change) a limit on the number of investment designations that may be made by any Participant during a specified period.

5.6.3 With respect to Phantom Participants, each Phantom Participant's Account shall be deemed invested in the Franklin U.S. Government Money Market Fund (FRRXX) as of the Effective Date until an investment designation is properly filed with the Administrator or its designee thereafter in accordance with this Section 5.6.

5.6.4 All contributions and other amounts added to a Participant's Account (except for the Return on an FT Fund) shall be allocated among the separate FT Funds available in accordance with the then effective investment designation or deemed designation. Except as the Administrator shall otherwise determine, any distributions hereunder shall be taken proportionately from each separate FT Fund to which the Account is allocated at the time of the distribution. Any new investment designation may designate that, as of the date the new

designation takes effect, the entire balance of the Participant's Account at that date shall be reallocated among the designated FT Funds according to the percentages specified in the investment designations. No reallocations of the Participant's Account are to be made merely to adjust for disproportionate investment growth among such FT Funds (other than in response to a subsequent investment designation filed with respect to the Participant's Account).

5.6.5 In the event the Administrator or its designee receives an initial or revised investment designation which it deems to be incomplete, unclear, not in accordance with procedures established pursuant to this Section 5.6 or otherwise improper, the Participant's investment designation then in effect shall remain in effect (or, in the case of a deficiency in an initial designation, the Participant shall be considered to have filed no investment designation) until a complete investment designation is filed in accordance with the rules and procedures established by the Administrator.

5.6.6 The Administrator may determine at any time to vary the rules provided above to accord with the requirements of any FT Fund, for ease in administration or for any other reason.

5.6.7 It is intended that all Participants be required to direct the deemed investment of their Accounts to the extent set forth in this Section 5.6. In the event that the Administrator possesses at any time instructions as to the deemed investment of less than all of a Participant's Account, the Participant shall be deemed to have designated that the non-directed portion of his or her Account be deemed invested in a money market fund (or if a money market fund does not then exist, in the separate FT Fund which most closely resembles a money market fund or that is otherwise selected by the Administrator).

5.6.8 Notwithstanding anything contained herein to the contrary, neither the Administrator, the Company, any Affiliate nor any other person shall have any liability for any loss arising from or as a result of any investment designation or deemed designation by a Participant pursuant to Section 5.4 or this Section 5.6 or the performance of any of the FT Funds. In addition, such persons or entities shall have no responsibility to determine the appropriateness of any individual Participant's investment designation or of the particular FT Funds made available for Participant designation under the Plan.

ARTICLE VI

Entitlement to Benefits

6.1. **Separation from Service** – In the event of a Participant's Separation from Service for any reason other than death, he or she shall become entitled to the full amount of the vested balance of his or her Account, payable in the manner and at the time according to the provisions of ARTICLE VII.

6.2. **Death** – In the event of the death of a Participant prior to his or her Separation from Service, the full amount of the vested balance of his or her Account shall become payable, in the manner and at the time according to the provisions of ARTICLE VII, to the Participant's designated Beneficiary.

6.3. **In-Service Distribution** – Notwithstanding Sections 6.1 and 6.2 above, and solely as it relates to Participants who are not Phantom Participants, in the event of an election for an in-service distribution under Section 7.4.2.4 with respect to the Compensation deferral contributions allocated for an Election Year, the Value of the vested portions of the Account attributable to such contributions shall be distributed as provided in Section 7.4.2.4.

6.4. **Vesting** – A Participant shall at all times be fully vested in his or her Account, but shall not be entitled to a distribution of any portion of the Account until the date of a Distribution Event, at which time his or her Account shall be payable according to, and in such manner and at such time or times provided under, the provisions of ARTICLE VII.

6.5. **Clawbacks** – Subject to the last sentence of this Section, and notwithstanding any other provision of the Plan to the contrary, any portion of a Participant's Account attributable to deferrals of cash incentive or bonus compensation shall be subject to potential forfeiture, cancellation, recoupment, rescission, payback or other action in accordance with the terms of the Company Compensation Clawback Policy, as amended from time to time (the "Policy"). As a condition of participation in the Plan, the Participant agrees and consents to the Company's application, implementation and enforcement of (a) the Policy or any similar policy established by the Company that may apply to the Participant and (b) any provision of applicable law relating to forfeiture, cancellation, rescission, payback or recoupment of compensation, and expressly agrees that the Company may take such actions as are necessary to effectuate the Policy, any similar policy (as applicable to the Participant) or applicable law without further consent or action being required by the Participant. This Section 6.5 shall not apply to Phantom Participants or any portion of a Phantom Participant's Account.

ARTICLE VII

Distribution of Benefits

7.1. **Benefits Payable upon Separation from Service** – Upon a Participant's Separation from Service with the Company or an Affiliate for any reason other than death, distribution of the vested balance of the Participant's Account (which is not subject to an election under Section 7.4.2.4) shall be made (or begun) on such date as may be irrevocably elected by the Participant in the Participant's Payment Option Election under Sections 7.4.2.1 and 7.4.2.2, or such later date as may be applicable by reason of Section 7.1.2 or 7.5.2. If the Participant did not complete and file with the Administrator a valid and timely Payment Option Election with respect to any deferrals, then the vested balance of the Participant's Account attributable to deferrals for which a Payment Option Election has not been completed shall be distributed in a single lump sum on (i) (x) the first (1^{st}) business day of the month following the Separation from Service or, (y) with respect a Phantom Participant, his or her Distribution Event (*i.e.*, the sixth (6^{th}) business day following such Separation from Service), or (ii) such later date as may be applicable by reason of Section 7.1.2 or 7.5.2. Each date on which a distribution is actually made pursuant hereto is referred to as the Participant's Distribution Date, and the distribution shall be determined and valued in accordance with Sections 5.4 and 5.5 as of such Distribution Date.

7.1.1 **Cash Out** – Notwithstanding the foregoing, and without regard to any Payment Option Election the Participant may have filed with the Administrator, if, on the date

of the Participant's Separation from Service or, with respect to a Phantom Participant, the Phantom Participant's Distribution Event, as applicable, the vested portion of his or her Account has a Value of less than $19,500 (or such higher "applicable dollar amount" under Sections 402(g)(1)(B) and 402(g)(4) of the Code), the entire vested portion of his or her Account shall be distributed in a single lump sum on (i) (x) the first (1st) business day of the month following the Separation from Service or, (y) with respect to a Phantom Participant, his or her Distribution Event, or (ii) such later date as may be applicable by reason of Section 7.1.2 or 7.5.2.

7.1.2 Six-Month Delay for Specified Employees – Notwithstanding any provision in the Plan to the contrary, no distribution to a "Specified Employee" (as defined below) by reason of his or her Separation from Service, for any reason other than his or her death, may be made prior to the date that is the earlier of: (i) his or her date of death, or (ii) six (6) months after the date of his or her Separation from Service; in that event, his or her Distribution Date shall become (x) the first (1st) day of the month following whichever of those two dates is applicable or, (y) with respect to a Phantom Participant, the sixth (6th) business day, following whichever of those two dates is applicable. This provision shall continue to apply during any period in which any stock of any member of the Employer Group is publicly traded on an established securities market (within the meaning of § 1.897-1(m) of the Regulations) or otherwise.

A "Specified Employee" is any Participant who, as of the date of his or her Separation from Service with the Employer Group, is a "key employee" (within the meaning of Section 416(i)(1)(A)(i), (ii) or (iii) of the Code, applied in accordance with the regulations issued thereunder and disregarding Section 416(i)(5)) who meets the definition of a "Specified Employee" as determined under § 1.409A-1(i) of the Regulations. The Participant will be deemed to be a key employee as of the date of his or her Separation from Service with the Employer Group if he or she met the key employee requirement at any time during the twelve (12)-month period described in the aforesaid Regulations.

7.2. Death Benefits – In the event of the death of a Participant who has an undistributed, vested balance in his or her Account:

7.2.1 Effect of Payment Option Election – Distribution of the vested balance of the Participant's Account shall be made (or begun) to the Participant's Beneficiary on the date specified in the Participant's Payment Option Election completed in accordance with the provisions of Section 7.4 or as of any other date determined in accordance with the terms of the Plan and consistent with the provisions of Section 409A. If the Participant did not complete a Payment Option Election with respect to any deferrals, the vested portion of the Participant's Account attributable to deferrals for which a Payment Option Election has not been completed shall be distributed to the Participant's Beneficiary in a single lump sum on (i) (x) the first (1st) business day of the month following the Separation from Service by reason of death or, (y) with respect to a Phantom Participant, his or her Distribution Event (*i.e.*, the sixth (6th) business day following such Participant's Separation from Service by reason of death), or (iii) such later date as may be applicable by reason of Section 7.5.2. Each date on which a distribution is actually made pursuant hereto is referred to as the Beneficiary's Distribution Date, and the distribution shall be determined and valued in accordance with Sections 5.4 and 5.5 as of the Distribution Date.

7.2.2 Beneficiary Designation – Each Participant from time to time may designate any person or persons (who may be named contingently or successively) to receive such benefits as may be payable under the Plan upon or after his or her death, and such designation may be changed from time to time by the Participant by filing a new designation. Each designation will revoke all prior designations by the same Participant, shall be in form prescribed by the Administrator, and will be effective only when filed in writing or electronically with the Administrator during the Participant's lifetime.

7.2.3 Failure to Designate Beneficiary – In the absence of a valid Beneficiary designation, or if, at the time any benefit payment is due to a Beneficiary, there is no living Beneficiary eligible to receive the payment, validly named by the Participant, the Company or an Affiliate shall distribute any such benefit payment to the person or persons designated to receive the Participant's accrued benefit from the Parent 401(k) Plan (or if such Participant does not have an accrued benefit under the Parent 401(k) Plan, the person or persons designated to receive the Participant's accrued benefit from the LM 401(k) Plan). In the absence of a valid designation to a living person under the Parent 401(k) Plan or the LM 401(k) Plan, the Company or an Affiliate shall distribute the benefit payment to the Participant's estate. In determining the existence or identity of anyone entitled to a benefit payment, the Administrator may rely conclusively upon information supplied by the personal representative of the Participant's estate. In the event of a lack of adequate information having been supplied to the Administrator, or in the event that any question arises as to the existence or identity of anyone entitled to receive a benefit payment as aforesaid, or in the event that a dispute arises with respect to any such payment, or in the event that a Beneficiary designation conflicts with applicable law, or in the event the Administrator is in doubt for any other reason as to the right of any person to receive a payment as Beneficiary then, notwithstanding the foregoing, the Company or an Affiliate, in the sole discretion of the Administrator, may, in complete discharge, and without liability to the Administrator, the Company, any Affiliate or any other person for any tax or other consequences which might flow therefrom: (i) distribute the payment to the Participant's estate, (ii) retain such payment, without liability for interest, until the rights thereto are determined, or (iii) deposit the payment into any court of competent jurisdiction.

7.3. Benefits Payable in Service or upon Separation from Service – If a Participant made an irrevocable election under Section 7.4.2.4 for an in-service distribution, the vested portion of the Participant's Account subject to such election will be distributed as provided in such Section. Each date on which a distribution is actually made pursuant hereto is referred to as the Participant's Distribution Date, and the distribution shall be determined and valued in accordance with Sections 5.4 and 5.5 as of such Distribution Date.

7.4. Payment Option Elections – Payment elections, and changes therein, have been previously made by Participants by the filing of a completed Payment Option Election in accordance with the Plan or the Phantom Plan, as applicable.

7.4.1 Initial and Subsequent Elections – Simultaneously with the filing of his or her Compensation Deferral Agreement, or as a part thereof, each Participant completed and filed a Payment Option Election. The Payment Option Election may not be changed at any time and, except as provided in Section 7.4.2.4.1, and solely as it relates to Participants who are not Phantom Participants, the Participant shall have no further right to file a revised Payment

Option Election, or to alter any election set forth in a Payment Option Election. If the Participant did not complete a Payment Option Election with respect to any deferrals, the vested portion of the Participant's Account attributable to deferrals for which a Payment Option Election has not been completed shall be distributed in a single lump sum on (i) (x) the first (1st) business day of the month following the Separation from Service or, (y) with respect to a Phantom Participant, his or her Distribution Event (*i.e.*, the sixth (6th) business day following such Separation from Service), or (iii) such later date as may be applicable by reason of Section 7.1.2 or 7.5.2.

7.4.2 Available Options – The Payment Option Election provided each Participant with the following choices:

7.4.2.1 Form of Distribution following a Separation from Service – The Participant could have elected to have his or her distribution paid following a Separation from Service in either of the following two forms:

7.4.2.1.1 an immediate lump sum distribution on the date elected pursuant to Section 7.4.2.2; or

7.4.2.1.2 subject to Section 7.1.1, in three (3) annual installments commencing on the date elected pursuant to Section 7.4.2.2 and thereafter on each of the next two anniversaries of that date. The first (1st) installment shall equal one-third of the vested balance of the Account, the second installment shall equal one-half of the remaining vested balance of the Account, and the third installment shall equal the entire remaining vested balance of the Account.

7.4.2.2 Timing of Distribution following a Separation from Service – The Participant could have elected to have his or her distribution paid (or begun) on either of the following dates (or such later date as may be applicable by reason of Section 7.1.2 or 7.5.2):

7.4.2.2.1 The first (1st) business day of the month after the (i) date of the Participant's Separation from Service; or (ii) the first (1st) anniversary of the Participant's Separation from Service; or

7.4.2.2.2 With respect to each Phantom Participant, (i) the date of the Phantom Participant's Distribution Event; or (ii) the sixth (6th) business day of the calendar year following the date of the Phantom Participant's Distribution Event. In addition, if the Phantom Participant made the election under clause (ii) of this Section 7.4.2.2.2, the Phantom Participant could also elect that the election would not apply unless his Separation from Service occurs on or after he or she has reached a specified age (as elected by the Phantom Participant).

7.4.2.3 Form of Death Benefit Distribution – Upon the death of a Participant who, pursuant to Section 7.4.2.1.2, had elected installments for his or her lifetime distribution, the vested balance of the Participant's Account shall be paid in accordance with the form of death benefit the Participant had elected in his or her Payment Option Election pursuant to Section 7.2.1.

7.4.2.4 In-Service Distributions – A Participant, other than a Phantom Participant, could elect to have the Value of the Participant's Account (including the Return thereon) credited for an Election Year, distributed in a lump sum distribution on August 1st of the fifth (5th) calendar year following the end of the Election Year for which such contributions were credited (or such later date as may be applicable by reason of Section 7.5.2). However, if the Participant elected an in-service distribution under this Section 7.4.2.4 and has a Separation from Service prior to the date the respective in-service distribution is made, the portion of the Participant's Account subject to such election shall be distributed in a lump sum distribution on the first (1st) business day of the month following the Participant's Separation from Service (or such later date as may be applicable by reason of Section 7.1.2 or 7.5.2). The lump sum distribution under this Section 7.4.2.4 shall be in such form as is determined under Section 7.5.1. For the avoidance of doubt, any references to this Section 7.4.2.4 in the Plan shall not apply to Phantom Participants.

7.4.2.4.1 Any Participant who has made an irrevocable election under Section 7.4.2.4 may make a subsequent election to change the Distribution Date under such Section. Any election to change such Distribution Date (i) cannot take effect until at least twelve (12) months after the date of the election, (ii) must defer payment for five (5) years from the Distribution Date on which payment would otherwise be made pursuant to the respective earlier election under Section 7.4.2.4, and (iii) must be made no less than twelve (12) months before the originally scheduled fixed Distribution Date. The newly elected Distribution Date shall be the fixed Distribution Date for purposes of Section 7.4.2.4, which shall be subject to a further, subsequent deferral election under this Section 7.4.2.4.1. Timely and validly making any subsequent deferral election is solely the responsibility of the Participant, regardless of whether the Administrator provides any information as to the deadlines for such subsequent deferral elections.

7.4.3 Invalid Election – If a Payment Option Election does not conform to the requirements of Section 409A, then such Payment Option Election shall be void and the Participant shall be deemed not to have filed a Payment Option Election with respect to the portion of the Participant's Account to which such invalid Payment Option Election relates.

7.5. Administration of Distributions –

7.5.1 Mode of Distribution – The Company or an Affiliate shall make all distributions from each Participant's Account in cash based on the Value calculated in accordance with Sections 5.4 and 5.5 of the vested portion of the Participant's Account (except as to distributions under Section 7.4.2.4, and solely as it relates to Participants who are not Phantom Participants, which, in the sole discretion of the Administrator, may be made in cash or in-kind in shares of the FT Funds to which the portion of the Participant's Account being distributed was deemed invested).

7.5.2 **Administrative Delay** – All distributions made pursuant to this ARTICLE VII:

7.5.2.1 shall be made on or as soon as administratively practicable after the stated date of distribution provided in this ARTICLE VII, without regard to this Section 7.5.2, but in no event later than the end of the Participant's taxable year which includes such stated date of distribution or, if later, two and one-half (2½) months after such stated date of distribution, provided that the Participant is not permitted directly or indirectly to designate the taxable year of the payment, or

7.5.2.2 with respect to Phantom Participants, shall be made on or as soon as administratively practicable after (but in no event more than ninety (90) days after) the date of the Distribution Event that gave rise to the distribution. In the event of an administrative delay, the Participant's Distribution Date shall become whichever of those two dates is applicable. Any distribution so delayed shall be paid on, and the amount to be paid to a Participant or Beneficiary with respect to an Account shall be determined, valued and reported as of, the delayed Distribution Date.

7.5.3 **Deductions** – Any amounts payable under the Plan shall be subject to such deductions or withholdings, including, without limitation, any federal and state income taxes and FICA taxes as may be required by law, but shall not be deemed to be salary or other compensation for the purpose of computing benefits to which the Participant may be entitled under any retirement plan or other arrangement of the Company or any Affiliate for the benefit of its employees generally. With respect to distributions which are made in-kind in shares of FT Funds under Section 7.4.2.4 and solely as it relates to Participants who are not Phantom Participants, in lieu of such tax withholding, the Participant may pay to the Company or an Affiliate on or before the Distribution Date the amount the Company or Affiliate would otherwise deposit as federal and state income taxes and FICA taxes with respect to the distribution and thus avoid having to have the distribution reduced by such tax withholding; otherwise, the Participant shall be required to pay to the Company or Affiliate the amount the Company or Affiliate is required to deposit as tax withholding on or before the due date of the deposit.

7.5.4 **Payment to Minor or Incompetent** – If any person to whom a payment is due under the Plan is a minor, or is found by the Administrator to be incompetent by reason of physical or mental disability, the Administrator shall have the right to cause the payments becoming due to such person to be made to another for his or her benefit, without responsibility of the Administrator to see to the application of such payments, and such payments will constitute a complete discharge of the liabilities of the Company or Affiliate with respect thereto.

7.5.5 **Domestic Relations Order** – To the extent permitted by and consistent with the provisions of Section 409A, payments shall be made to an alternate payee of the Participant to the extent required under a Domestic Relations Order (a "DRO") as defined by Section 414(p)(1)(B) of the Code, that is applicable to the Plan. Any amount payable under the Plan to an alternate payee under a DRO shall be paid to the alternate payee designated in such DRO rather than to the Participant; provided, however, that such payment: (i) shall be reported for

income tax purposes as a payment to the Participant, and (ii) shall only be paid to the alternate payee in such form, and at such time, as it would have been paid to the Participant but for the DRO.

7.5.6 Location of Participants and Beneficiaries – Any communication, statement or notice addressed to a Participant (or Beneficiary) at his or her last post office address filed with the Company or an Affiliate, or if no such address was filed with the Company or an Affiliate then at his or her last post office address as shown on the Company's or Affiliate's records, shall be binding on the Participant (or Beneficiary) for all purposes of the Plan. Except for the sending of a registered letter to the last known address, the Administrator shall not be obliged to search for any Participant (or Beneficiary). If the Administrator notifies any Participant (or Beneficiary) that he or she is entitled to an amount under the Plan and the Participant (or Beneficiary) fails to claim such amount or make his or her location known to the Administrator within three (3) years, then, except as otherwise required by law, the Administrator shall have the right to treat the amount payable as a forfeiture.

7.5.7 Compliance with Section 409A – Notwithstanding anything herein to the contrary, all distributions hereunder are intended to be made in accordance with the provisions of Section 409A (to the extent applicable), and to the extent that Section 409A applies to any provision of the Plan and such provision is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the provision complying with the applicable provisions of Section 409A. Each payment under the Plan shall be treated as a separate payment for purposes of Section 409A.

7.6. Limitation on Payment Liability – The Company's or Affiliate's obligation to make any benefit distribution payment pursuant to this ARTICLE VII (or otherwise under the Plan) shall be limited to the vested amount credited to the Participant's Account as of the valuation date pertaining to such payment. Neither the Plan nor any action taken pursuant thereto guarantees any fixed dollar amount of payments to the Participant or his or her Beneficiary, estate or representative. The amount of payment under the Plan shall vary in accordance with the provisions of ARTICLE V, and neither the Company, any Affiliate or the Administrator, nor any of their representatives, shall be responsible for any decrease in value of the Account by reason of investment performance reflected therein.

ARTICLE VIII

Administration

8.1. Administrative Authority – Except as otherwise specifically provided herein, the Company shall have the sole responsibility for and the sole control of the operation and administration of the Plan, and shall have the power and authority to take all action and to make all decisions and interpretations which may be necessary or appropriate in order to administer and operate the Plan, including, without limiting the generality of the foregoing, the power, duty and responsibility to: (i) resolve and determine all disputes or questions arising under the Plan, including the power to determine the rights of Employees, Participants and Beneficiaries, and their respective benefits, and to remedy any ambiguities, inconsistencies or omissions; (ii) adopt such rules of procedure and regulations as in its opinion may be necessary for the proper and efficient

administration of the Plan and as are consistent with the Plan; (iii) implement the Plan in accordance with its terms and such rules and regulations; (iv) notify the Participants of any amendment or termination of, or of a change in any benefits available under, the Plan; and (v) prescribe such forms as may be required for Employees to make elections under, and otherwise participate in, the Plan. The power and authority of the Company under the Plan shall be delegated in the manner described in Section 8.2.

8.2. **Plan Administration** – The Plan shall be operated and administered on behalf of the Company by an Administrator. The Administrator shall be governed by the following:

8.2.1 LM & Co. shall be the Administrator in the absence of any designation to the contrary by the Company. Alternatively, LM & Co. may establish an Administrative Committee pursuant to Section 8.3 to act as the Administrator. Except as the Company shall otherwise expressly determine, the Administrator shall have full authority to act for the Company before all persons in any matter directly pertaining to the Plan, including the exercise of any power or discretion otherwise granted to the Company pursuant to the terms of the Plan. However, the following powers shall be reserved to the Company and/or LM & Co., as applicable, even if an Administrative Committee is appointed as Administrator: (i) the power to amend or terminate the Plan (including exercise of the discretion described in Section 9.3) and (ii) the power to appoint the membership of the Administrative Committee pursuant to Section 8.3.1.

8.2.2 The Administrator may appoint any persons or firms, or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the administration and operation of the Plan; and the Administrator shall be entitled to rely conclusively upon, and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such firms or persons. The Administrator shall have the power and authority to delegate from time to time all or any part of its duties, powers or responsibilities under the Plan, both ministerial and discretionary, as it deems appropriate, to any person, and in the same manner to revoke any such delegation of duties, powers or responsibilities. Any action of such person in the exercise of such delegated duties, powers or responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Administrator.

Further, the Administrator may authorize one or more persons to execute any certificate or document on behalf of the Administrator, in which event any person notified by the Administrator of such authorization shall be entitled to accept and conclusively rely upon any such certificate or document executed by such person as representing action by the Administrator until such third person shall have been notified of the revocation of such authority. The Administrator shall not be liable for any act or omission of any person to whom the Administrator's duties, powers or responsibilities have been delegated, nor shall any person to whom any duties, powers or responsibilities have been delegated have any liabilities with respect to any duties, powers or responsibilities not delegated to him.

8.2.3 All representatives of the Company and LM & Co. and/or members of the Administrative Committee shall use ordinary care and diligence in the

performance of their duties pertaining to the Plan, but no such individual shall incur any liability: (i) by virtue of any contract, agreement, bond or other instrument made or executed by him or on his or her behalf in his or her official capacity with respect to the Plan, (ii) for any act or failure to act, or any mistake or judgment made, in his or her official capacity with respect to the Plan, unless resulting from his or her gross negligence or willful misconduct, or (iii) for the neglect, omission or wrongdoing of any other person involved with the Plan. The Company shall indemnify and hold harmless each such individual who is an Employee from the effects and consequences of his or her acts, omissions and conduct in his or her official capacity with respect to the Plan, except to the extent that such effects and consequences shall result from his or her own willful misconduct or gross negligence. If any matter arises as to which an individual is entitled to indemnity hereunder, the indemnitee shall give the Company prompt written notice thereof. The Company, at its own expense, shall then take charge of the disposition of the asserted liability, including compromise or the conduct of litigation. The indemnitee may, at his or her own expense, retain his or her own counsel and share in the conduct of any such litigation, but the failure to do so shall not adversely affect his or her right to indemnity.

8.2.4 Nothing in the Plan shall be construed so as to prevent any person involved in administration of the Plan from receiving any benefit to which he or she may be entitled as a Participant.

8.2.5 Expenses incurred in the administration and operation of the Plan (including the cost of any Returns and the functioning of the Administrative Committee) shall be paid by the Company or the Affiliates in proportion to the level of participation for their employees in the Plan for the respective Election Year, determined by the Administrator in such manner as it determines in its sole discretion. Notwithstanding anything to the contrary herein, distributions under the Plan may be made by the Company or any Affiliate as authorized by the Administrator.

8.3. **Administrative Committee** – LM & Co. may designate and appoint a committee, to be known as the Administrative Committee, as Administrator. If an Administrative Committee is not appointed, the officers of LM & Co. shall comprise the Administrative Committee. Except to the extent that the Company or LM & Co. has retained any power or authority, or allocated duties and responsibilities to another, the Administrative Committee shall have full power and authority to administer and operate the Plan in accordance with its terms and in particular the authority contained in this ARTICLE VIII, and, in acting pursuant thereto, shall have full power and authority to deal with all persons in any matter directly connected with the Plan, in accordance with the following provisions:

8.3.1 The Administrative Committee shall consist of one or more individuals designated by LM & Co. Subject to his or her right to resign at any time, each member of the Administrative Committee shall serve (without compensation, unless otherwise determined by LM & Co.) at the pleasure of LM & Co., and LM & Co. may appoint, and may revoke the appointment of, additional members to serve with the Administrative Committee as may be determined to be necessary or desirable from time to time. Each member of the Administrative Committee, by accepting his or her appointment to the Administrative Committee, shall thereby be deemed to have accepted all of the duties and responsibilities of such appointment, and to have agreed to the faithful performance of his or her duties thereunder.

8.3.2 The Administrative Committee shall adopt such formal organization and method of operation as it shall deem desirable for the conduct of its affairs. The Administrative Committee shall act as a body, and the individual members of the Administrative Committee shall have no powers and duties as such, except as provided herein; the Administrative Committee shall act by vote of a majority of its members at the time in office, either at a meeting or in writing without a meeting.

8.3.3 Subject to Section 8.5, the determination of the Administrative Committee on any matter pertaining to the Plan within the powers and discretion granted to it shall be final and conclusive on all Participants and all other persons dealing in any way or capacity with the Plan.

8.4. **Third Party Services** – The Company, LM & Co. or the Administrator may contract with any third party to provide services under the Plan for the convenience of the Company, LM & Co. or the Administrator, including, but not limited to, the enrollment of Covered Employees as Participants, the maintenance of individual or other accounts and other records, the making of periodic reports and the disbursement of benefits to Participants and Beneficiaries.

8.5. **Claims Procedure** – A claims procedure (including a procedure for review of an adverse claim determination) that is intended to meet the requirements of Section 503 of ERISA and DOL Regs. § 2560.503-1, is annexed to the Plan as Appendix A.

ARTICLE IX

Amendment and Termination

9.1. **Right to Amend** – Subject to Sections 9.5 and 9.6, the Company and/or LM & Co. shall have the right to amend the Plan in writing, at any time, and with respect to any provisions hereof, and all parties hereto or claiming any interest hereunder shall be bound thereby. The Company shall generally act through the Administrator in actions under this ARTICLE IX.

9.2. **Amendment Required by Federal Law** – Notwithstanding the provisions of Section 9.5, the Plan may be amended at any time, retroactively if required, by the Company or LM & Co. if found necessary in order to conform to the provisions and requirements of the Code (including, without limitation, Section 409A) or ERISA, or any similar act or any amendments thereto or regulations promulgated thereunder.

9.3. **Right to Terminate Plan** – Subject to Sections 9.5 and 9.6 and to the remainder of this Section 9.3, the Company, LM & Co. and, as to its own Participants, each unrelated Affiliate, reserves the right, at any time, and in its sole discretion, to terminate the Plan at any time, but only if the conditions described in Section 9.3.1 are extant at the time at which the Company, LM & Co. or the unrelated Affiliate acts to terminate the Plan (or such later date as of which the termination is to be effective).

9.3.1 **Circumstances Under Which Plan May Terminate** – Unless otherwise permitted under Section 409A, the Plan may terminate only if one or more of the following sets of circumstances exist on the date such termination is to be effective:

9.3.1.1 Dissolution or Bankruptcy – Termination and liquidation of the Plan: (i) within twelve (12) months of a corporate dissolution taxed under Section 331 of the Code, or (ii) with the appointment of a bankruptcy court pursuant to 11 U.S.C. § 503(b)(1)(A), in either case under conditions described in § 1.409A-3(j)(4)(ix)(A) of the Regulations.

9.3.1.2 Change in Control – Termination and liquidation of the Plan pursuant to irrevocable action taken by the Company, LM & Co. or, as to its own Participants, an unrelated Affiliate within the thirty (30) days preceding or the twelve (12) months following a Change in Control Event under conditions described in § 1.409A-3(j)(4)(ix)(B) of the Regulations. For this purpose, a "Change in Control Event" is any one of the following (to the extent that it qualifies as such under § 1.409A-3(i)(5) of the Regulations): (i) a change in ownership within the meaning of § 1.409A-3(i)(5)(v) of the Regulations, (ii) a change in effective control within the meaning of § 1.409A-3(i)(5)(vi) of the Regulations, or (iii) a change in the ownership of assets within the meaning of § 1.409A-3(i)(5)(vii) of the Regulations.

9.3.1.3 Other Plan Termination – Termination and liquidation of the Plan under the conditions described in § 1.409A-3(j)(4)(ix)(C) of the Regulations.

9.3.1.4 Other Circumstances – Termination and liquidation of the Plan under such circumstances as may be prescribed in generally applicable guidance published by the Internal Revenue Service.

9.3.2 Impact of Plan Termination – Upon termination of the Plan, the entire Account of each affected Participant (or Beneficiary) shall be one hundred percent (100%) vested and distributed in a single lump sum (notwithstanding any continuing elections by the affected Participants as to form or timing of distributions), such distribution to occur as soon as administratively practicable, but, where applicable, only within the time parameters set forth in Section 9.3.1.

9.3.3 Pre-Existing Distribution Rights – Termination of the Plan shall not affect the form or timing of benefits to any Participant who becomes entitled thereto pursuant to ARTICLE VI and ARTICLE VII without regard to the Plan termination, but only to the extent that such payments would have been made prior to the date on which the lump sum distribution of all distributions upon Plan termination, pursuant to Section 9.3.2, is to be made.

9.4. Employer-Level Change – Subject to Section 9.6:

9.4.1 Cessation of Business – Notwithstanding any other provision of the Plan to the contrary, in the event the Company ceases to actively carry on the trade or business in which a Participant was employed and if the cessation is not pursuant to a transaction whereby a successor entity assumes the obligations under the Plan (including the sale of all of the stock of an Affiliate), the entire value of the Account of an affected Participant shall be one hundred percent (100%) vested and distributed in a single lump sum to the Participant (or, in the event the

Participant is not then living, to the Beneficiary designated in accordance with Section 7.2) on such Distribution Date permitted by applicable Regulations, but only if, in connection with the cessation of business: (i) the cessation is in conjunction with an event that constitutes a permissible payment event described in Section 9.3, or (ii) the distribution is otherwise permitted under regulations or other guidance issued by the Internal Revenue Service under Section 409A on the basis that a Change in Control Event as defined in Section 9.3.1 has occurred.

9.4.2 **Successor to Company** – In the event of the merger, consolidation, sale of all or substantially all the assets, or reorganization, of the Company:

9.4.2.1 Provision may be made by which the Plan will be continued by the successor employer, in which case such successor shall be substituted for the Company under the Plan and Section 9.4.1 shall not apply to the transaction. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor and the successor shall have all of the powers, duties and responsibilities of the Company under the Plan.

9.4.2.2 If the action described in Section 9.4.2.1 has not been taken within ninety (90) days from the effective date of the transaction, the Plan shall be deemed to have been terminated as of the effective date of the transaction, but not earlier than the earliest date permitted under Section 9.3.1, and the provisions of Section 9.3 shall be applicable thereto.

9.4.2.3 In the event of a transaction described in this Section 9.4.2 which applies to a portion of the Company, the provisions of this Section 9.4.2 shall apply only to the employees transferred in connection therewith.

9.5. **Preservation of Rights** – Amendment or termination of the Plan shall not affect the rights of any Participant (or Beneficiary) to payment of the amount in his or her Account, to the extent that such amount was payable under the terms of the Plan prior to the effective date of such amendment or termination. However, no action taken in accordance with Section 9.2 or 9.3 shall be deemed prejudicial to any interest of any Employee or Participant.

9.6. **Section 409A Compliance** – The Plan may not be amended or terminated in any way that results in a violation of Section 409A. In particular, except to the extent permitted by § 1.409A-3(j) of the Regulations, no amendment or termination of the Plan shall in any way (including a change in form of distribution) result in acceleration of the timing or amount of any payment (or any portion thereof) due under the Plan. An amendment that permits acceleration for any one or more of the reasons that constitute exceptions to the prohibition on acceleration of payments, pursuant to § 1.409A-3(j)(4) of the Regulations, shall not be deemed to be in violation of this Section 9.6.

ARTICLE X

Multiple-Employer Provisions

10.1. **Adoption by Other Employers** – Subject to approval of LM & Co., the Plan may be adopted by any Affiliate. Such adoption and approval shall be evidenced by the

execution of an adoption agreement by LM & Co. and the adopting employer (an "Adoption Agreement").

10.2. **Separate Plans** – It is intended that the provisions of the Plan shall apply separately to any participating Affiliate that is unrelated to the Company, and to the Participants of each such participating unrelated Affiliate, and, except as otherwise provided in this ARTICLE X, the Plan shall constitute a separate Plan for each participating Affiliate that is unrelated to the Company.

10.3. **Participation** – The participation of any participating Affiliate in the Plan shall become effective as of the date the Adoption Agreement is executed and approved as provided in Section 10.1, or on such other date as may be set forth in said Adoption Agreement. Once participation by a participating Affiliate has begun, such participation shall continue until terminated by the Company, LM & Co. or the participating Affiliate in accordance with the terms of the Plan.

10.4. **Combined Service** – Except as otherwise provided in the Adoption Agreement, the term "service" or "employment" shall be deemed to refer equally to service with any participating Affiliate or the Company, so that, for any purpose under the Plan, service with any participating Affiliate or the Company shall be deemed to be the equivalent of service with any other participating Affiliate or the Company. A Participant shall be deemed to have had a Separation from Service only upon a Separation from Service with the participating Affiliate or Company, as applicable, and all other employers who are members of the same Employer Group.

10.5. **Administration** – The term "Company" as used in ARTICLE VIII, pertaining to administration of the Plan, refers only to the Sponsor.

10.6. **Amendment** – No Affiliate other than LM & Co. has the right to amend the Plan. The Company and LM & Co. each are vested with the power to amend the Plan in any manner consistent with ARTICLE IX, and such amendment will bind the Company and each participating Affiliate and its Participants.

10.7. **Termination** – A participating, unrelated Affiliate may terminate its participation in the Plan, pursuant to ARTICLE IX, at any time. Any such action shall operate only as to the Participants employed by that participating Affiliate and shall be subject to the restrictions of Section 9.3. Only the Company or LM & Co. shall have the right to terminate the Plan, pursuant to ARTICLE IX, with respect to all Participants.

ARTICLE XI

Miscellaneous

11.1. **Limitations on Liability of Company** – Neither the establishment of the Plan nor any modification thereof, nor the creation of any Account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Company or any Affiliate (or any person connected therewith), except as provided by law or by any Plan provision. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a fiduciary relationship between the Company or

any Affiliate (or any person connected therewith) and any Participant, Beneficiary or other person. In no event shall the Company or any Affiliate (or any person connected therewith) be liable to any person for the failure of any Participant, Beneficiary or other person to be entitled to any particular tax consequences with respect to the Plan or any contribution thereto or distribution therefrom.

11.2. Construction – The Plan is intended to be exempt from ERISA (other than reporting and disclosure requirements and claims procedures, as to which no exemption is available) and, if any provision of the Plan is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the Plan being so exempted. In case any provision of the Plan shall be held to be illegal or void, such illegality or invalidity shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein. For all purposes of the Plan, where the context admits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the plural shall include the singular. Headings of articles and sections are inserted only for convenience of reference and are not to be considered in the construction of the Plan. Except to the extent preempted by the laws of the United States of America, the laws of Maryland shall govern, control and determine all questions arising with respect to the Plan and the interpretation and validity of its respective provisions. Participation under the Plan will not give any Participant the right to be retained in the service of the Company or an Affiliate or any right or claim to any benefit under the Plan unless such right or claim has specifically accrued hereunder. The Plan shall be construed in such manner as to comply with Section 409A.

11.3. Spendthrift Provision – No amount payable under the Plan will, except as otherwise specifically provided by law, be subject in any manner to anticipation, alienation, attachment, garnishment, sale, transfer, assignment (either at law or in equity), levy, execution, pledge, encumbrance, charge or any other legal or equitable process, and any attempt to do so will be void; nor will any benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled thereto. The foregoing shall not preclude any arrangement for: (i) the withholding of taxes from Plan benefit payments, (ii) the recovery by the Plan of overpayments of benefits previously made to a Participant, or (iii) the direct deposit of benefit payments to an account in a banking institution (if not part of an arrangement constituting an assignment or alienation).

In the event that any Participant's benefits are garnished or attached by order of any court, the Company may bring an action for a declaratory judgment in a court of competent jurisdiction to determine the proper recipient of the benefits to be paid by the Plan. During the pendency of said action, any benefits that become payable shall be paid into the court as they become payable, to be distributed by the court to the recipient it deems proper at the close of said action.

11.4. Tax Consequences of Payments – The Company does not make any representations as to the tax consequences of any compensation or benefits provided hereunder (including, without limitation, under Section 409A). The Participant is solely responsible for any and all income, excise or other taxes imposed on Participant with respect to any and all compensation or other benefits provided to Participant.

11.5. Limitation of Rights: No Contract of Employment – The terms of the Plan shall not be deemed to constitute a contract of employment between any member of the Employer Group and the Participant, and the Participant (or his or her Beneficiary) shall have no rights against any member of the Employer Group except as may be specifically provided herein. Moreover, nothing in the Plan shall be deemed to limit in any way the right of Parent, the Company or an Affiliate to terminate a Participant's employment at any time or be evidence of any agreement or understanding, express or implied, that Parent, the Company or an Affiliate will employ a Participant in any particular position or at any particular rate of remuneration.

IN WITNESS WHEREOF, the amended and restated Plan is executed as of the execution date set forth below, with effect from and after the amendment date first set forth above.

LEGG MASON, INC.

By: /s/ Gwen L. Shaneyfelt
Gwen L. Shaneyfelt
Vice President and Chief Financial Officer

Execution Date: 8/26/2023

APPENDIX A

LEGG MASON, INC.
AMENDED AND RESTATED DEFERRED COMPENSATION FUND PLAN
As Amended and Restated Effective October 6, 2023

CLAIMS PROCEDURE

Initial Claim

If you think you have a problem regarding your Plan benefits, you may file a written claim under the Plan's claims procedure. For example, you may feel that you are entitled to a benefit that has not been paid, or that the benefit you are receiving has not been paid under terms or in an amount with which you are in agreement. Your claim must state the specific reason(s) why you believe you are entitled to the benefit, or why you disagree with the terms or amount of the benefit, and must be delivered to the Administrator (at the normal Company address, unless the Administrator provides a different address).

Your claim will be given full and fair consideration, and the decision will be made in accordance with governing Plan documents and after taking steps to assure that the Plan provisions are applied in a manner that is consistent with the way other similar claims (if any) have been treated in the past.

Unless it is determined that your claim is to be resolved in accordance with your wishes as set forth in the claim, the Administrator will provide you with a written or electronic notice of the adverse determination, setting forth: (i) the specific reason(s) for the denial, (ii) specific reference to pertinent Plan provisions on which the denial is based, (iii) a description of any material or information necessary for you to perfect your claim and an explanation of why such material or information is necessary, and (iv) an explanation of the Plan's appeal procedure (including applicable time limits and a statement that, if your claim is adversely decided on appeal, you may bring a civil action under Section 502(a) of ERISA).

The adverse determination notice will normally be provided to you within a reasonable time (but not more than ninety (90) days) after your claim has been received. However, in special circumstances requiring an extension, the ninety (90)-day period may be extended (for not more than an additional ninety (90) days unless you agree), if the Administrator gives you written notice, before the end of the initial ninety (90)-day period, setting forth the reason(s) for the extension and the estimated decision date. If the extension notice indicates that the extension is needed because you have not provided information necessary to decide your claim, and the notice asks for that information, the time limit on the extension does not begin to run until you have provided the requested information.

Appeal

If you have received an adverse determination notice, and you still feel that your claim has not been properly decided, then, for a period of sixty (60) days following the date on which you received the notice, you may appeal the denial by submitting to the Administrator a written request for review. You may submit written comments, documents, records and other information relating to your claim (regardless of whether such information was submitted or considered in arriving at the initial adverse determination). Upon request, you will be provided (free of charge) with reasonable access to, and copies of, all documents, records and other information *relevant* to your claim. (An item is relevant only if: (i) it was relied upon in making the initial claim determination, or (ii) it was submitted, considered or generated in the course of actually making the initial claim determination, or (iii) it demonstrates compliance with the requirement that claim determinations be made in accordance with the applicable Plan provisions consistently applied).

Your appeal will be given full and fair consideration, taking into account all comments, documents, records and other information you submitted. Regardless of whether or not the decision on appeal is in your favor, you will be given written or electronic notice of the decision. If the decision is adverse to you (*i.e.*, not what you asked for), the notice will: (i) state the specific reason(s) for the adverse determination, (ii) reference the specific plan provisions on which the determination is based, (iii) advise you of your right to bring a civil action under Section 502(a) of ERISA, and (iv) state that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim.

Notice of the decision on your appeal will normally be provided to you within a reasonable time (but not more than sixty (60) days) after your appeal has been received. However, in special circumstances requiring an extension, the sixty (60)-day period may be extended (for not more than an additional sixty (60) days unless you agree), if the Administrator gives you written notice, before the end of the initial sixty (60)-day period, setting forth the reason(s) for the extension and the estimated decision date. If the extension notice indicates that the extension is needed because you have not provided information necessary to decide your appeal, and the notice asks for that information, the time limit on the extension does not begin to run until you have provided the requested information.

General

You are required to complete both the initial claim procedure and the appeal procedure before you may exercise any right to bring a civil action under Section 502(a) of ERISA (*i.e.*, to file suit in a federal or state court). At any point in the claims procedure, you may designate someone to act as your duly authorized representative. However, you may be required to provide the Administrator with a written power of attorney or other evidence that the person is authorized to act for you.

The Company, LM & Co. or the Administrator will designate the person(s) who will review and decide your initial claim and/or your appeal. Those persons may be employees of the Company, LM & Co. or any Affiliate and the same person(s) may be assigned to both the initial claim and the appeal.

CLEARBRIDGE INVESTMENTS, LLC

DEFERRED INCENTIVE PLAN

AS AMENDED AND RESTATED
DATED AS OF
FEBRUARY 10, 2023

TABLE OF CONTENTS

CLEARBRIDGE INVESTMENTS, LLC DEFERRED INCENTIVE PLAN

THIS AMENDED AND RESTATED PLAN (the "Plan") is adopted by CLEARBRIDGE INVESTMENTS, LLC (the "Company") under the terms and conditions hereinafter set forth.

ARTICLE I

General

1.1 Purpose of Plan - The Plan is established to provide incentive and retention awards for achievement in meeting individual and Company goals and objectives.

1.2 Nature of Plan - The Plan is intended to be a "bonus program" as described in DOL Regs. §2510.3-2(c) (for purposes of being exempt from ERISA). The Plan is intended to be an unfunded, non-qualified plan for purposes of the Internal Revenue Code, and is intended not to be subject to Section 409A of the Internal Revenue Code due to the short-term deferral rule in Treas. Reg. Section l.409A-l(b)(4). Nevertheless, in the event that any payments under the Plan constitute the payment of deferred compensation, the Plan contains the required provisions to ensure that it complies in form and operation with Section 409A of the Code.

ARTICLE II

Definitions

The following terms, as used herein, unless a different meaning is implied by the context, shall have the following meanings:

1940 Act - The Investment Company Act of 1940, or any provision or section thereof herein specifically referred to, as such Act, provision or section may from time to time be amended or replaced.

Account - The account established for each Participant pursuant to Section 6.1.

Administrator - The person, group or entity designated in accordance with the provisions of ARTICLE IX to administer and operate the Plan.

Award - With respect to a particular Plan Year, the amount, if any, of the total credits to, or total deposits to the Trust in respect of, a Participant's Class Year Contributions Sub-Account determined in accordance with Section 5.2.

Award Date - The date set by the Company each calendar year for making Class Year Contributions with respect to a Plan Year. Without in any way limiting the foregoing, the Award Date for Class Contributions is expected to be on or about the day before Thanksgiving each November that immediately follows the last day of the Plan Year to which the Class Year Contributions are attributable, provided that for the Class Year Contributions attributable to the Plan Year ending March 31, 2021, the Award Date will be May 14th 2021.

Award Sub-Account – A functional sub-account (established within a Participant's Class Year Contributions Sub-Account for the purpose of determining certain vesting requirements under Article VII) into which there will be deemed to be allocated the Award, if any, for each Plan Year, plus or minus (as the case may be) net earnings and/or losses with respect thereto.

Beneficiary - Any person or persons so designated in accordance with the provisions of Section 8.2.

Cause - As defined in Section 7.5.

Class Year Contributions - The Section 5.2 Company contributions grouped together (if more than one) as a separate class of contributions with respect to each Plan Year and designated as that Year's contributions in accordance with Section 5.3.

Class Year Contributions Sub-Account - A separate sub-account (established within a Participant's Account) to which will be credited, or deposited to the Trust in respect of, a Participant's Class Year Contributions with respect to a particular Plan Year, plus or minus (as the case may be) net earnings and/or losses with respect thereto.

Company - CLEARBRIDGE INVESTMENTS, LLC and FRANKLIN TEMPLETON PRIVATE PORTFOLIO GROUP, LLC, each a limited liability company duly organized and existing under the laws of the State of Delaware, and their successors and assigns, unless otherwise herein provided, or any other business organization which, as hereinafter provided, shall assume the obligations hereunder, or which shall agree to become a party to the Plan.

Competitive Activity - As defined in Section 7.5.1.

Contribution Year - As defined in Section 7.1.2.

Covered Employee - Any Employee who, as of an Award Date, is regularly employed and bonus eligible, as determined by the Company.

Disability - A medically determinable physical or mental impairment which qualifies the Participant for total disability benefits under the Social Security Act, and/or which, in the opinion of the Company (based upon such evidence as it deems satisfactory): (i) can be expected to result in death or to last at least twelve months, and (ii) will prevent the Participant from performing his usual duties or any other similar duties available in the Company's employ.

Discretionary Investment Sub-Account - A functional sub-account (established within a Participant's Class Year Contributions Sub-Account for the purpose of making value adjustments under Sections 6.3, 6.4 and 6.5) into which there will be deemed to be allocated the Section 6.1 percentage of the total credits, or total deposits to the Trust in respect of, a Participant's Class Year Contributions Sub-Account with respect to a particular Plan Year, plus or minus (as the case may be) net earnings and/or losses with respect thereto.

Effective Date - The effective date of the Amended and Restated Plan shall be February 10, 2023.

Employee - Any person employed by the Company.

Employer Group - In general, a group of employers consisting of the Company and all other employers who are treated as a single employer under Section 414(b) and/or (c) of the Internal Revenue Code; provided, however, that, in any use of the term in connection with a Separation from Service, "at least 50%" shall be substituted for "at least 80%" in each place it appears: (i) in Sections 1563(a)(l), (2) and (3) of the Internal Revenue Code for purposes of applying Section 414(b) of the Internal Revenue Code, and (ii) in §1.414(c)-2 of the Regulations.

ERISA - The Employee Retirement Income Security Act of 1974, or any provision or section thereof herein specifically referred to, as such Act, provision or section may from time to time be amended or replaced.

Franklin – Franklin Resources, Inc.

Fund Portfolio Manager - Any Knowledgeable Employee who is responsible for providing investment advice to investment companies registered under the 1940 Act advised or sub-advised by the Company. The determination of status as a Fund Portfolio Manager shall be made by the Company separately with respect to each Class Year Contributions Sub-Account.

Internal Revenue Code - The Internal Revenue Code of 1986, or any provision or section thereof herein specifically referred to, as such Code, provision or section may from time to time be amended or replaced.

Knowledgeable Employees - Employees who, because of their corporate positions or duties, are deemed by the Company to be "knowledgeable employees" for purposes of Rule 3c-5 under the 1940 Act. The determination of such status shall be deemed to have been made by the Company separately with respect to each Class Year Contributions Sub-Account.

Leave of Absence - An authorized absence from active employment under circumstances which are not treated by the Company as a Separation from Service, and with respect to which there is a reasonable expectation that the Participant will return to perform further services for the Employer Group. *(The second paragraph of the definition of Separation from Service in this ARTICLE II is relevant to this definition.)*

Mandatory Investment Sub-Account - A functional sub-account (established within a Participant's Class Year Contributions Sub-Account for the purpose of making value adjustments under Sections 6.3, 6.4 and 6.5) into which there will be deemed to be allocated the Section 6.1 percentage of the total credits, or total deposits to the Trust in respect of, Participant's Class Year Contributions Sub-Account with respect to a particular Plan Year, plus or minus (as the case may be) net earnings and/or losses with respect thereto.

Non-Specified Employees - Employees who are not Knowledgeable Employees. The determination of such status shall be deemed to have been made by the Company separately with respect to each Class Year Contribution Sub-Account.

Participant - Any person so designated in accordance with the provisions of ARTICLE I or ARTICLE III, including, where appropriate according to the context of the Plan, any former

Covered Employee in whose name an Account (with an undistributed balance) exists under the Plan.

Plan - The plan set forth herein, as amended from time to time.

Plan Year - The twelve-month period ending on March 31; provided that effective September 30, 2021, the Plan Year shall be the twelve-month period ending September 30.

Separation from Service - A termination of employment with the Employer Group under circumstances which do not constitute a Leave of Absence, and in which the Company and the Participant reasonably anticipate that no further services will be performed. For this purpose, a permanent reduction in the Participant's services to the Employer Group after a specified date, which is less than a complete cessation of services, shall constitute a Separation from Service only to the extent that the facts and circumstances meet the requirements of §1.409A-l(h)(ii) of the Regulations. Where appropriate to the context, a Participant's termination of employment by reason of death or Disability shall be deemed to be a Separation from Service.

Notwithstanding the foregoing, a Leave of Absence shall be deemed to constitute a Separation from Service if the period of leave exceeds six months (or such longer period for which the Participant retains re-employment rights with the Employer Group under an applicable statute or contract).

Specified Employee - Any Participant who is a "specified employee" within the meaning of Section 409A(a)(2)(B) of the Code and regulations promulgated thereunder.

Trust - the Rabbi Trust created pursuant to that Non-Qualified Plan Trust Agreement, dated as of April 1, 2010, by and between ClearBridge Advisors, LLC and Bank of America, N.A.

Valuation Date - Each day on which the New York Stock Exchange is open for trading; provided, however, that the Valuation Date with respect to Mandatory Investment Sub-Accounts shall be the last day of the month. The Company shall determine the monthly rate of earnings for such Sub-Accounts as of such Valuation Date.

Vesting Date(s) - Separately with respect to each of his Class Year Contributions Sub-Accounts, a Participant's Vesting Date(s) shall be determined in accordance with Article VII.

ARTICLE III

Eligibility and Participation

3.1 Annual Determination of Plan Participation - Participation in the Plan shall be determined separately for each Plan Year, as of the Award Date for such Plan Year. Except as the Company shall otherwise determine on or before such Award Date, the Employees eligible to participate shall consist of all those individuals who are Covered Employees as of such Award Date.

3.2 Change of Employment Category - During any period in which a Participant remains in the employ of the Employer Group but ceases to be a Covered Employee, he shall continue his Plan participation in accordance with Section 3.5, but his Account shall not be credited with, or no deposits shall be made to the Trust in respect of, any further ARTICLE V contributions (unless and until he again becomes a Covered Employee).

3.3 Leaves of Absence - During any Leave of Absence, the Employee shall remain as a Participant to the same extent as if he had not taken the Leave of Absence (subject to any variance in his contribution level appropriate to the terms of the Leave of Absence).

3.4 Separation from Service -

3.4.1 General - Except as provided in Section 7.4 below, upon a Participant's Separation from Service, his participation in the Plan shall terminate. If an Employee (whether or not a Participant) whose employment is terminated is subsequently re-employed, he shall be treated as a new Employee who shall be eligible to become a Participant only after again meeting the requirements of Section 3.1.

3.4.2 Transfers - For purposes of ARTICLES III, VII and VIII, a direct transfer of employment (voluntary or involuntary) from the Company to any other member of the Employer Group shall not be deemed to be a Separation from Service.

3.5 Inactive Participation - In the event that a Participant's active participation in the Plan ceases, as described in Section 3.2, he shall nevertheless be deemed to remain as a Participant for all purposes other than the crediting, or depositing to the Trust, of further ARTICLE V contributions to his Account, until such time as there is no longer an undistributed balance in his Account.

ARTICLE IV

Participant Contributions

Contributions to the Plan by Participants shall neither be required nor permitted.

ARTICLE V

Company Contributions

5.1 Nature of Contributions - Contributions described in this ARTICLE V represent actual deposits to the Trust. Notwithstanding the foregoing, as more fully described in ARTICLE VI, the Company may, but is not required to, establish a trust fund for purposes of the Plan and, instead, may choose to record bookkeeping entries in the form of credits to the Accounts of the Participants on whose behalf the contributions are made.

5.2 Amount and Crediting or Depositing of Contributions - With respect to each Plan Year, the Company shall contribute to the Plan, in the form of a credit to, or an actual deposit to the Trust in respect of, the Account of each eligible Participant (as determined

pursuant to Section 3.1), such amount, if any, as the Company deems appropriate in its sole and absolute discretion, applied separately with respect to each Participant.

The "pool" of funds available for contribution, as well as the allocation of that pool among the eligible Participants, may (but need not) be determined under one or more formulae adopted by the Company.[1] Any such formula (if adopted) may be amended from time to time, may differ with respect to Participant groups *(e.g.,* Knowledgeable Employees and Non-Specified Employees), and may be waived with respect to individual Participants, all in the sole and absolute discretion of the Company.

5.3 Grouping of Contributions - All of the Section 5.2 contributions credited to, or deposited to the Trust in respect of, the Account of any Participant with respect to a particular Plan Year shall be grouped together into a single class referred to as Class Year Contributions for that Year, and shall be credited to, or deposited to the Trust in respect of, a separate Class Year Contributions Sub-Account applicable to that Year. Thus, for example, all Company contributions credited to, or deposited to the Trust in respect of, a Participant's Account with respect to the 2021 Plan Year shall be deemed to be 2021 Class Year Contributions and credited to, or deposited to the Trust in respect of, the Participant's 2021 Class Year Contributions Sub-Account as of the Award Date for such Plan Year. Although each separate Class Year Contributions Sub-Account is subject to separate vesting and distribution provisions pursuant to ARTICLES VII and VIII, the aggregate of all of the Class Year Contributions Sub-Accounts attributable to a Participant shall be subject to investment pursuant to ARTICLE VI as a unified whole without regard to the fact that they are grouped into separate Class Year Contributions Sub-Accounts.

5.4 Effect of Contributions - With respect to any other employee benefit or welfare plan sponsored by the Company under which the amount of any benefit is based on the compensation paid to an employee, a Participant's compensation for the purpose of such employee benefit or welfare plan shall not include the amount of any contributions under this Plan, unless otherwise specifically provided in such other plan.

ARTICLE VI

Participant Accounts

6.1 Account and Sub-Accounts Established for Each Participant -

6.1.1 General - An individual Account shall be established on the books of the Company (or its designee) in the name of each Participant, for the purpose of accounting for contributions credited to or deposited to the Trust on behalf of, and benefits paid to or on behalf of, the Participant, and to account for incremental adjustments pursuant to Section 6.3. Each Account shall be divided into separate Class Year Contributions Sub-Accounts attributable to the Participant, as described in Section 5.3. Each such Class Year Contributions Sub-Account shall

[1] As of the Effective Date, the Company uses the following formula to calculate the amounts of the Participants' Awards for each particular Plan Year: The amount of the Award is equal to 15% of each Participant's most recent total annual incentive compensation of $100,000 or more.

be deemed to have the following functional sub-accounts: (a) Mandatory Investment Sub-Accounts and Discretionary Investment Sub- Accounts, as described in Section 6.1.2, below. Each Account may be further divided into such other sub-accounts, if any, as the Company deems appropriate to properly implement the provisions of the Plan.

6.1.2 Investment Sub-Accounts - Solely for the purposes of determining value adjustments in accordance with Section 6.3 and Elected Investment Funds in accordance with Section 6.4 and Section 6.5, all of the Section 5.2 contributions for a Plan Year that are credited to, or deposited to the Trust in respect of, a Participant's Class Year Contributions Sub-Account Account in accordance with Section 5.3 shall be deemed to be divided between such Participant's Mandatory Investment Sub-Account and Discretionary Investment Sub-Account for the Plan Year, as follows: One-third of the total amount credited to, or deposited to the Trust in respect of, any Knowledgeable Employee's Class Year Contributions Sub-Account Account for a particular Plan Year shall be deemed to be credited, or deposited to the Trust in respect of, to his Mandatory Investment Sub-Account, and two-thirds of the total amount credited to, or deposited to the Trust in respect of, such Participant's Class Year Contributions Sub-Account Account for the Year shall be deemed to be credited to, or deposited to the Trust in respect of, his Discretionary Investment Sub-Account. In the case of any Participant who is a Non-Specified Employee, all of the amount credited to, or deposited to the Trust in respect of, such Participant's Class Year Contributions Sub-Account Account for a particular Plan Year shall be deemed to be credited to, or deposited to the Trust in respect of, his Discretionary Investment Sub-Account for the Year, and no amount shall be deemed to be credited to, or deposited to the Trust in respect of, his Mandatory Investment Sub-Account for the Year. Each Participant's status (i.e., as a Knowledgeable Employee or Non-Specified Employee) shall be determined separately with respect to each Plan Year as of the Award Date for such Plan Year. If, with respect to any Plan Year, a Participant changes status from a Knowledgeable Employee to a Non-Specified Employee, or vice versa, such change in status shall have no effect on the rules applicable to his Mandatory Investment Sub-Account or Discretionary Investment Sub-Account for any prior or subsequent Plan Year.

6.2 Funding -

6.2.1 General - The Company shall not be required to purchase, hold or dispose of any investments with respect to amounts credited to, or deposited to the Trust in respect of, the Account, its only obligation being to make distributions as described in ARTICLE VIII. The Company has elected to make contributions to the Trust to assist the Company in paying the benefits which may accrue hereunder. The contributions to the Trust shall not reduce or otherwise affect the Company's liability to pay benefits under the Plan (which benefits may be paid from the Trust or from the Company's general assets, in the discretion of the Company), except that the Company's liability shall be reduced by actual benefit payments from the Trust (and the Account shall be appropriately adjusted to reflect such payments). If any such investments, or contributions to the Trust, are made by the Company, they shall have been made solely for the purpose of aiding the Company in meeting its obligations under the Plan, and, except for actual contributions to the Trust, no trust or trust fund is intended. To the extent that the Company does, in its discretion, purchase or hold any such investments (other than through contributions to the Trust), the Company will be named sole owner of all such investments and of all rights and privileges conferred by the terms of the instruments or certificates evidencing

such investments. Nothing stated herein will cause such investments, or the Trust, to form part of the Account, or to be treated as anything but the general assets of the Company, subject to the claims of its general creditors, nor will anything stated herein cause such investments, or the Trust, to represent the vested, secured or preferred interest of the Participant or his Beneficiaries. The Company shall have the right at any time to use any such investments not held in Trust in the ordinary course of its business. Neither the Participant nor any of his Beneficiaries shall at any time have any interest in the Account or the Trust or in any such investments, except as a general, unsecured creditor of the Company to the extent of the arrangement which is the subject of the Plan.

6.2.2 **Specifics** - To the extent that the Company actually makes contributions to the Trust, or otherwise directly or indirectly sets aside assets to assist in paying any benefits which may accrue hereunder:

6.2.2.1 **Utilization of Forfeitures** - Values forfeited by reason of early Separation from Service, as described in Section 7.2, shall, in the discretion of the Company, either: (i) be returned to the Company from the Trust, (ii) be re-allocated to the Accounts of other Participants in order to reduce contributions the Company would otherwise make (as described in Section 6.2.1), and/or (iii) be held in a separate forfeiture suspense account in the Trust pending the Company's decision as to disposition.

6.2.2.2 **Off-Shore Prohibition** - Except as otherwise permitted by regulations or other guidance issued by the Internal Revenue Service under Section 409A(b) of the Internal Revenue Code, neither such assets, nor the Trust itself, shall be located or transferred outside of the United States (except to a foreign jurisdiction in which substantially all of the services giving rise to the benefits accruing hereunder are performed).

6.3 **Value Adjustments** - Subject to Section 6.5 and to such other limitations and procedures as may from time to time be imposed by the Company, each Participant shall have the right to designate from time to time the deemed investment categories (described in Section 6.4) to be applicable to his Account, in accordance with the following:

6.3.1 Any initial or subsequent designation: (i) shall designate the percentage of his Account which is to be "invested" in each of the categories described herein, (ii) shall be in writing, and (iii) shall be effective as of the next Designation Date which is at least 15 days after the date of receipt of such designation by the Company, or such earlier date as may be permitted by the Company. Alternatively, the Company may provide for telephone or other electronic investment designations to the extent that such facilities are made available by the funding agency.

6.3.2 The Company may establish (and thereafter change) an annual limit on the number of designations (including changes) that may be made by any Participant.

6.3.3 Each designation shall remain in effect unless and until a subsequent designation becomes effective with respect to the Account. All contribution credits added to, or deposited to the Trust in respect of, a Participant's Account and all distributions subtracted therefrom, shall be invested or withdrawn in accordance with the then effective designation. As

of the effective date of any new designation, the entire balance of the Account at that date shall be reallocated among the designated categories according to the percentages specified in the designation (unless the Company permits, and the Participant elects, to have the new designation apply only to future contributions), but no reallocations of the Participant's Account will be made merely to adjust for disproportionate investment growth among such funds (other than in response to a subsequent investment designation filed with respect to a Participant's Account); provided, however, that there shall be no investment designations permitted with respect to the Mandatory Investment Sub-Accounts; and provided further that in the case of any subsequent investment designation made by a Knowledgeable Employee with respect to any one or all of his Discretionary Investment Sub-Accounts, the rule in Section 6.5.2 shall apply to all such Discretionary Investment Sub-Accounts.

6.3.4 In the event the Company receives an initial or revised investment designation which it deems to be incomplete, unclear, not in accord with procedures established pursuant to this Section 6.3, or otherwise improper, the Participant's investment category designation then in effect shall remain in effect (or, in the case of a deficiency in an initial designation, the Participant shall be deemed to have filed no designation) until the next Designation Date, unless the Company provides for, and permits the application of, corrective action prior thereto.

6.3.5 It is intended that all Participants be required to direct the categories applicable to their Accounts to the extent set forth in this Section 6.3. However, with respect to the period prior to a Participant's initial investment direction, or in the event that, thereafter, the Company possesses at any time proper instructions as to the handling of less than all of a Participant's Account, the Participant shall be deemed to have designated that the non-directed portion of his Discretionary Investment Sub-Account shall be invested equally in all of the available funds.

6.3.6 For purposes of this Section 6.3, "Designation Date" shall mean any regular business day during October of each year, beginning in 2021, but the Company shall have the right, at any time, without necessity of Plan amendment, to change any Designation Date, or to add or delete Designation Dates, on a temporary or permanent basis.

6.3.7 Except as the Company shall otherwise determine, any distributions shall be taken proportionately from each separate investment fund in which the Account is deemed to be invested at the time of the distribution.

6.4 **Elected Investment Funds** - Subject to Section 6.5, the Company shall make available for deemed investment such separate investment funds as it may deem appropriate from time to time, and shall allocate the Participant's deemed investments (or any assets actually held in trust pursuant to Section 6.2.1) among such funds pursuant to the investment designations described in Section 6.3, in accordance with the following:

6.4.1 As of the Effective Date, the separate investment funds that are available to all Participants shall consist of all publicly-traded, Franklin or Legg Mason open end funds that are advised or sub- advised by the Company. The Company, in its discretion, may make

additional or alternative investments available for amounts allocated to Mandatory Investment Sub-Accounts.

6.4.2 Without necessity of Plan amendment, the Company may provide for the establishment of additional investment funds, may limit or terminate the availability of, any separate investment fund, and/or may limit the availability of investment funds to one (in which case the Plan shall be administered without regard to Section 6.3).

6.4.3 In the case of any deemed purchase of units in a separate investment fund, the applicable Account shall be charged with a dollar amount equal to the quantity and kind of investments deemed to have been purchased multiplied by the unit fair market value thereof on the deemed purchase date and shall be credited with, or shall have an amount deposited in the Trust equal to, the quantity and kind of investments so deemed to have been purchased. In the case of any deemed sale, the Account shall be charged with the quantity and kind of investments deemed to have been sold, and shall be credited with, or shall have an amount deposited in the Trust equal to, a dollar amount equal to the quantity and kind of investments deemed to have been sold multiplied by the unit fair market value thereof on the deemed sale date. As used herein "fair market value" means the actual price if any investments are actually purchased or sold pursuant to this Section 6.4, or otherwise the Company's best estimate thereof. For registered investment funds, the determination of units is based on the net asset value, or **"NAV",** determined by the investment fund on the Valuation Date.

6.4.4 Except as provided in Section 6.4.4.2, each separate investment fund shall be valued as of each Valuation Date, and any distribution from an Account shall be based upon the Valuation Date immediately preceding the distribution. Value adjustments shall be based upon the investment results that would have occurred had the investments deemed to have been made in accordance with this Section 6.4 actually been made. To the extent Contributions to the Plan are made in the form of a credit during a Plan Year, then for valuation purposes:

6.4.4.1 If Accounts are deemed to have been invested in a separate investment fund on a commingled basis, the income, gain or loss (whether or not realized) and expense equivalents shall be determined on a commingled basis and allocated among the applicable individual Accounts, as of each Valuation Date, pursuant to any reasonable allocation method adopted by the Company, giving due weight to, and/or making reasonable assumptions as to, the timing of contributions credited, and distributions made, between valuation dates.

6.4.4.2 If Accounts are deemed to have been invested on an individual basis rather than a commingled basis with other Accounts, and if the Company deems it administratively practicable to do so, an Account (or part thereof) may be separately and individually valued immediately prior to, and for the purpose of determining the amount of, the distribution.

6.5 <u>Additional Investment Election Rules For Knowledgeable Employees</u> - Notwithstanding anything to the contrary in Sections 6.3 and 6.4, the following provisions shall apply with respect to the deemed investments of Participants who are or at any time have been Knowledgeable Employees.

6.5.1 All amounts allocated to Mandatory Investment Sub-Accounts shall be invested in an investment that the Company, in its sole and absolute discretion, shall select.

6.5.2 With respect to any Participant who is a Fund Portfolio Manager, at least one-half of the amounts credited to, or deposited to the Trust in respect of, such Participant's Discretionary Investment Sub-Account for the most recently concluded Contribution Year) must be invested in the Fund Portfolio Manager's primary Franklin or Legg Mason open end investment company that is advised or sub-advised by the Company as determined by the Company.

ARTICLE VII

Entitlement to Benefits

7.1 Vesting Date Based Upon Length of Service - Except as otherwise provided in Sections 7.3, and 7.4, a Participant's Vesting Dates are: (i) based upon continued service with the Company, and (ii) established separately with respect to each Class Year Contributions Sub-Account, in accordance with the schedule set forth in Section 7.1.1. Each Vesting Date occurs on October 31 of the calendar year which is a predetermined number of years (as set forth in the applicable schedule) following the Contribution Year to which the Class Year Contributions Sub-Account is attributable.

7.1.1 Vesting Schedule -

7.1.1.1 Special Vesting Schedule - For calendar year 2021, any Award made during the period January 1, 2021 through July 31, 2021, will vest according to the following schedule:

Vesting Date	**Vested Percentage of *Remaining* Sub-Account**
October 31, 2021	25%
October 31, 2022	33½%
October 31, 2023	50%
October 31, 2024	100%

Thereafter, the vesting schedule in 7.1.1.2 shall apply.

7.1.1.2 Regular Vesting Schedule - The schedule of Vesting Dates is as follows:

Vesting Date	**Vested Percentage of *Remaining* Sub-Account**
October 31 of 1st year following contribution year	25%
October 31 of 2nd year following contribution year	33½%
October 31 of 3rd year following contribution year	50%
October 31 of 4th year following	100%

contribution year

For example, with respect to a Participant's 2022 Class Year Contributions Sub-Account, one-fourth of his Sub-Account would vest on October 31, 2023, one-third of the *remaining* Sub-Account would vest on October 31, 2024, one-half of the *remaining* Sub-Account would vest on October 31, 2025, and the entire *remaining* Sub-Account would vest on October 31, 2026.

7.1.2 Contribution Year Defined - For purposes of this Section 7.1 (and in particular, the Vesting Date schedules), the term "Contribution Year" refers to the Plan Year for which a contribution is credited to a Participant's Class Year Contributions Sub-Account. Thus, for example, with respect to a contribution based upon factors relating to the 2021 Plan Year and credited to a Participant's 2021 Class Year Contributions Sub-Account, 2021 is the "contribution year".

7.2 Attainment of Vesting Date - In the event that a Participant, at any time prior to his Separation from Service, reaches his Vesting Date with respect to all or any portion of a particular Class Year Contributions Sub-Account, he shall become entitled to the full amount of the portion of that Sub-Account with respect to which his Vesting Date has been reached, payable according to the provisions of ARTICLE VIII.

Subject to the provisions of Sections 7.3 and 7.4, in the event of a Participant's Separation from Service at a time when all or any portion of any one or more of the Participant's Class Year Contributions Sub-Accounts shall not yet be vested *(i.e.,* the Vesting Date shall not have been reached), then, as of the date of the Participant's Separation from Service, the portion of his Sub-Accounts which shall not have vested shall be forfeited by him and his total Account balance shall be reduced by the amount of the forfeiture.

7.3 Immediate Vesting Upon Certain Events - Notwithstanding anything to the contrary in Section 7.2, there shall be full and immediate vesting under the circumstances described in Section 7.3.1, 7.3.2, and 7.3.3, below.

7.3.1 Disability - In the event of a Participant's Separation from Service by reason of Disability, then, as of the date of his Separation from Service, he shall be deemed to have reached his Vesting Date and he shall be entitled to the full amount of his Account, payable according to the provisions of ARTICLE VIII.

7.3.2 Death - In the event of the death of a Participant prior to his Separation from Service, then, as of the date of his death, he shall be deemed to have reached his Vesting Date and the full amount of his Account shall become payable, according to the provisions of ARTICLE VIII, to his designated Beneficiary, upon submission of proof of death satisfactory to the Company.

7.3.3 Certain Employer-Level Changes - In the event of any Employer-Level Change provided in Section 10.4, then, as of the date of such Employer-Level Change, all Participants shall be deemed to have reached their Vesting Date and they shall be entitled to the full amount of their Accounts, payable according to the provisions of ARTICLE VIII.

7.4 Continued Vesting After Separation from Service for Certain Participants - If there occurs a Separation from Service with respect to a Participant and, at a time of such Separation from Service, all or any portion of any one or more of such Participant's Class Year Contributions Sub-Accounts shall not yet be vested *(i .e.,* the Vesting Date shall not have been reached), then no such Separation from Service shall be deemed to have occurred solely for the purpose of satisfying the Vesting Schedule in Section 7.1.1, whereupon he shall be entitled to the vested amount of his Account, payable according to the provisions of ARTICLE VIII, for so long as the following three requirements are satisfied: (i) such Participant's Separation from Service satisfies one or more of the conditions specified in Sections 7.4.1 or 7.4.2 below, (ii) such Separation from Service is without Cause, as defined in Section 7.5, below, and (iii) in the circumstances described in Sections 7.4.1 and 7.4.2, below, such Participant refrains from engaging in Competitive Activity, as defined in Section 7.5.1, below.

7.4.1 Retirement Age - Commencing with the October 31, 2022 Vesting Date, and including all Awards unvested after that date, the conditions of this Section 7.4.1 shall be deemed to be satisfied if the Participant has attained age 60 and has 10 years of continuous service at the Company (which will include continuous service at a subsidiary of Franklin Resources, Inc. before the Participant's Separation from Service). Continuous service at a Franklin Resources, Inc. subsidiary prior to joining the Company shall be added to Service at the Company.

7.4.2 Reduction in Workforce - The conditions of this Section 7.4.2 shall be deemed to be satisfied if the Participant's Separation from Service is due to the elimination of his position in connection with a reduction in workforce by the Company.

7.5 Cause -

Any one or more of the following types of behavior by an Employee, which the Company in its sole discretion finds to be sufficient reason to terminate the Employee's employment with the Company: (a) any conduct (i) that constitutes Competitive Activity, (ii) that breaches any obligation to the Company or any duty of loyalty to the Company, or (iii) that is materially injurious to the Company, monetarily or otherwise; (b) material violation of, or an act taken by or the failure to act which causes the Company or the Employee to be in violation of any government statute or regulation, or the constitution, by-laws or regulations of any securities or commodities exchange or self-regulatory organization, or of the policies of the Company; (c) the entering of an order or decree or the taking of any similar action with respect to the Employee which substantially impairs him from performing his duties or makes him ineligible from being associated with the Company pursuant to Section 9 of the 1940 Act or Section 203(t) of the Investment Advisers Act of 1940; (d) malfeasance, disloyalty or dishonesty in any material respect; (e) any conviction for a felony; (t) any failure to devote all professional time to assigned duties and to the business of the Company; (g) failure to satisfactorily perform duties, as determined by the Company in its sole discretion, or gross misconduct or gross negligence in the performance of duties; or (h) failure to remain licensed to perform duties or other act, conduct or circumstance which renders the Employee ineligible for employment with the Company.

7.5.1 **Competitive Activity** - A Participant shall have engaged in Competitive Activity if during the course of his employment with the Company and for a period of 48 months thereafter, he competes with any of the Company's business operations, as determined by the Company, in its sole discretion.

ARTICLE VIII

Distribution of Benefits

8.1 **Benefits During Lifetime** - Benefits shall be distributed during Participants' lifetimes in accordance with the provisions of Sections 8.1.1, 8.1.2, and 8.1.3, as applicable:

8.1.1 **Distribution Upon Reaching Vesting Date** - In the event that a Participant reaches a Vesting Date with respect to all or any portion of any of his Class Year Contributions Sub-Accounts, as described in Section 7.2, an amount equal to the full value of the portion of those Sub-Accounts with respect to which his Vesting Date has been reached shall be distributed to him by the Company as provided in Section 8.3.1, valued and payable as soon as administratively practicable after (but in no event later than 70 days immediately following) the Vesting Date.

8.1.2 **Distribution Upon Separation from Service Due to Disability** - In the event of a Participant's Separation from Service by reason of Disability, as described in Section 7.3.1, the full value of his entire Account (including all Sub-Accounts, even if not yet vested) shall be distributed to him by the Company as provided in Section 8.3.1, valued and payable as soon as administratively practicable following (but in no event more than 70 days after) such Separation from Service.

8.1.3 **Distribution Upon Employer-Level Change** - In the event of an Employer- Level Change provided in Sections 7.3.3 and 10.4, an amount equal to the full value of his entire Account (including all Sub-Accounts, even if not yet vested) shall be distributed to him by the Company in a single lump sum, valued and payable as soon as administratively practicable following (but in no event more than 70 days after) such Employer-Level Change.

8.2 **Death Benefits** - In the event of the death of a Participant who has an undistributed balance in his Account:

8.2.1 In the event of a Participant's death, as described in Section 7.3.2, an amount equal to the full value of his entire Account (including all Sub-Accounts, even if not yet vested) shall be distributed by the Company to the Beneficiary designated by the Participant (in the form provided by the Company) as provided in Section 8.3.1, valued and payable as soon as administratively practicable following (but in no event more than 70 days after) the date of his death.

8.2.2 In the absence of a valid Beneficiary designation, or if, at the time any benefit payment is due to a Beneficiary, there is no living Beneficiary eligible to receive the payment, validly named by the Participant, the Company shall distribute any such benefit payment to the Participant's estate. In determining the existence or identity of anyone entitled to a benefit payment, the Company may rely conclusively upon information supplied by the

Personal Representative of the Participant's estate. In the event of a lack of adequate information having been supplied to the Company, or in the event that any question arises as to the existence or identity of anyone entitled to receive a benefit payment as aforesaid, or in the event that a dispute arises with respect to any such payment, or in the event that a Beneficiary designation conflicts with applicable law, or in the event the Company is in doubt for any other reason as to the right of any person to receive a payment as Beneficiary then, notwithstanding the foregoing, the Company, in its sole discretion, may, in complete discharge, and without liability for any tax or other consequences which might flow therefrom: (i) distribute the payment to the Participant's estate, (ii) retain such payment, without liability for interest, until the rights thereto are determined, or (iii) deposit the payment into any court of competent jurisdiction.

8.3 Mode of Distribution -

8.3.1 Distribution in Shares - Subject to such procedures or restrictions as may be established by the Company from time to time, or required by law, and subject to the tax withholding requirements referenced in Section 8.4, each Participant will receive all or any part of his distribution (net of taxes withheld) in the shares or limited partnership interests ("interests") in which his Account has been invested pursuant to ARTICLE VI (to the extent that the Company has elected pursuant to Section 6.2.1 to make Trust contributions to assist it in paying benefits). To the extent that the Participant has taken his distribution in shares (or interests), the Company shall direct the trustees of the Trust to transfer the shares (or interests) that are the subject of the election to a brokerage account or a directly-held fund account established in the name of the Participant, free and clear of the Trust, and free and clear of any restrictions on the Participant's right to sell, transfer or otherwise deal with and/or dispose of the shares (or interests) as he sees fit, such shares (or interests) no longer constituting any part of the Plan or the Trust.

8.3.2 Distribution in Cash - Notwithstanding anything to the contrary in Section 8.3.1, above, the Company shall have the right but not the obligation to make all or any part of any distributions in cash.

8.4 Deductions - Any amounts payable under the Plan shall be subject to such deductions or withholdings as may be required by law, but shall not be deemed to be salary or other compensation for the purpose of computing benefits to which the Participant may be entitled under any retirement plan or other arrangement of the Company for the benefit of its employees generally.

8.5 Payment to Minor or Incompetent - If any person to whom a payment is due under the Plan is a minor or has been adjudicated to be unable to manage his or her property of financial affairs, the Company shall have the right to cause the payments becoming due to such person to be made to any parent, guardian, custodian, relative or such other person then assuming responsibility for the care of his benefit, without responsibility of the Company to see to the application of such payments, and such payments will constitute a complete discharge of the liabilities of the Company with respect thereto.

8.6 Qualified Domestic Relations Order - Payments under the Plan shall not be subject to the provision of any Qualified Domestic Relations Order (a "QDRO"), as defined by

Section 414(p) of the Internal Revenue Code, but any such QDRO may be applicable to a Participant's benefits under any qualified plan sponsored by the Company or its affiliates. Any amount which would be payable under this Plan to an alternate payee if the QDRO were applied to this Plan shall instead be paid to the Participant, if living, otherwise to his Beneficiary.

8.7 Location of Participants and Beneficiaries - Any communication, statement or notice addressed to a Participant (or Beneficiary) at his last post office address filed with the Company, or if no such address was filed with the Company, then at his last post office address as shown on the Company's records, shall be binding on the Participant (or Beneficiary) for all purposes of the Plan. Except for the sending of a registered letter to the last known address, the Company shall not be obliged to search for any Participant (or Beneficiary). If the Company notifies any Participant (or Beneficiary) that he is entitled to an amount under the Plan and the Participant (or Beneficiary) fails to claim such amount or make his location known to the Company within five years, then, except as otherwise required by law, the Company shall have the right to treat the amount payable as a forfeiture to the Company.

8.8 Limitation on Payment Liability - The Company's obligation to make any benefit distribution payment pursuant to this ARTICLE VIII (or otherwise under the Plan) shall be limited to the amount credited to the Participant's Account as of the Valuation Date pertaining to such payment. Neither the Plan nor any action taken pursuant thereto guarantees any fixed dollar amount of payments to the Participant, his beneficiary, estate or representative. The amount of payment under the Plan shall vary in accordance with the provisions of ARTICLE VI, and neither the Company or the Administrator, or any of their representatives, shall be responsible for any decrease in value of the Account by reason of investment performance reflected therein.

ARTICLE IX

Administration

9.1 Administrative Authority - Except as otherwise specifically provided herein, the Company shall have the sole responsibility for and the sole control of the operation and administration of the Plan, and shall have the power and authority to take all action and to make all decisions and interpretations which may be necessary or appropriate in order to administer and operate the Plan, including, without limiting the generality of the foregoing, the power, duty and responsibility to: (i) resolve and determine all disputes or questions arising under the Plan, including the power to determine the rights of Employees, Participants and Beneficiaries, and their respective benefits, and to remedy any ambiguities, inconsistencies or omissions; (ii) adopt such rules of procedure and regulations as in its opinion may be necessary for the proper and efficient administration of the Plan and as are consistent with the Plan; (iii) implement the Plan in accordance with its terms and such rules and regulations; (iv) notify the Participants of any amendment or termination of, or of a change in any benefits available under, the Plan; and (v) prescribe such forms as may be required for Employees to make elections under, and otherwise participate in, the Plan. Subject to the power to delegate in the manner described in Section 9.2, the Company shall act through its Board of Directors.

9.2 **Company Administration** - The Plan shall be operated and administered on behalf of the Company by an Administrator. The Administrator shall be governed by the following:

9.2.1 In the absence of any designation to the contrary pursuant to Section 9.3, and subject to the power to delegate pursuant to this Section 9.2, the Administrator shall be the Company or such third party selected by the Company in accordance with the terms and conditions of the Plan to administer the Plan. Except as the Company shall otherwise expressly determine, the Administrator shall have full authority to act for the Company before all persons in any matter directly pertaining to the Plan, including the exercise of any power or discretion otherwise granted to the Company pursuant to the terms of the Plan, other than the power: (i) to amend or terminate the Plan (including exercise of the discretion described in Section 10.3), (ii) to determine who is eligible for Plan participation, (iii) to constitute the membership of the Administrative Committee pursuant to Section 9.3.1, (iv) to determine Company contributions and whether those contributions shall be placed in trust pursuant to Section 6.2, (v) to appoint and/or remove the trustees of the trust referred to in Section 6.2, and (vi) to affect the employer-employee relationship between the Company and any Employee, all of which powers are reserved to the Company unless expressly granted to the Administrator.

9.2.2 The Administrator may appoint any persons or firms, or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the administration and operation of the Plan; if the Administrator acted prudently in making such appointment, the Administrator shall be entitled to rely conclusively upon, and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such firms or persons. The Administrator shall have the power and authority to delegate from time to time by written instrument all or any part of its duties, powers or responsibilities under the Plan, both ministerial and discretionary, as it deems appropriate, to any person, and in the same manner to revoke any such delegation of duties, powers or responsibilities. Any action of such person in the exercise of such delegated duties, powers or responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Administrator. Further, the Administrator may authorize one or more persons to execute any certificate or document on behalf of the Administrator, in which event any person notified by the Administrator of such authorization shall be entitled to accept and conclusively rely upon any such certificate or document executed by such person as representing action by the Administrator until such third person shall have been notified of the revocation of such authority. The Administrator shall not be liable for any act or omission of any person to whom the Administrator's duties, powers or responsibilities have been delegated, nor shall any person to whom any duties, powers or responsibilities have been delegated have any liabilities with respect to any duties, powers or responsibilities not delegated to him.

9.2.3 All representatives of the Company, and/or members of the Administrative Committee if one be appointed, shall use ordinary care and diligence in the performance of their duties pertaining to the Plan, but no such individual shall incur any liability: (i) by virtue of any contract, agreement, bond or other instrument made or executed by him or on his behalf in his official capacity with respect to the Plan, (ii) for any act or failure to act, or any mistake of judgment made, in his official capacity with respect to the Plan, unless resulting from his gross negligence or willful misconduct, fraud or bad faith or (iii) for the neglect, omission or

wrongdoing of any other person involved with the Plan. The Company shall indemnify and hold harmless each such individual who is an Employee from the effects and consequences of his acts, omissions and conduct in his official capacity with respect to the Plan, except to the extent that such effects and consequences shall result from his own willful misconduct, gross negligence, fraud or bad faith. If any matter arises as to which an individual is entitled to indemnity hereunder, the indemnitee shall give the Company prompt written notice thereof. The Company, at its own expense, shall then take charge of the disposition of the asserted liability, including compromise or the conduct of litigation. The indemnitee may, at his own expense, retain his own counsel and share in the conduct of any such litigation, but the failure to do so shall not adversely affect his right to indemnity.

9.2.4 Nothing in the Plan shall be construed so as to prevent any person involved in administration of the Plan from receiving any benefit to which he may be entitled as a Participant, but he shall not be entitled to vote or act upon, or execute on behalf of the Plan documents specifically related to, his own participation in the Plan.

9.2.5 Expenses incurred in the administration and operation of the Plan (including the functioning of the Administrative Committee) shall be paid by the Company.

9.3 **Administrative Committee** - The Company's Chief Executive Officer, or in his absence, the Chief Financial Officer, shall have the right to designate and appoint a committee, to be known as the Administrative Committee, as Administrator. Except to the extent that the Company has retained any power or authority, or allocated duties and responsibilities to another, said Committee shall have full power and authority to administer and operate the Plan in accordance with its terms and in particular the authority contained in this ARTICLE IX, and, in acting pursuant thereto, shall have full power and authority to deal with all persons in any matter directly connected with the Plan, in accordance with the following provisions:

9.3.1 The Committee shall consist of one or more individuals designated by the Company's Chief Executive Officer, or in his absence, the Chief Financial Officer. Subject to his right to resign at any time, each member of the Committee shall serve (without compensation, unless otherwise determined by the Company) at the pleasure of the Company, and the Chief Executive Officer, or in his absence, the Chief Financial Officer, may appoint, and may revoke the appointment of, additional members to serve with the Committee as may be determined to be necessary or desirable from time to time. Each member of the Committee, by accepting his appointment to the Committee, shall thereby be deemed to have accepted all of the duties and responsibilities of such appointment, and to have agreed to the faithful performance of his duties thereunder.

9.3.2 The Committee shall adopt such formal organization and method of operation as it shall deem desirable for the conduct of its affairs. The Committee shall act as a body, and the individual members of the Committee shall have no powers and duties as such, except as provided herein; the Committee shall act by vote of a majority of its members at the time in office (other than those disqualified from voting pursuant to Section 9.2.4), either at a meeting or in writing without a meeting.

9.3.3 The determination of the Committee (so long as not arbitrary and capricious, as that term is defined for purposes of plans covered by ERISA) on any matter pertaining to the Plan within the powers and discretion granted to it shall be final and conclusive on all Participants and all other persons dealing in any way or capacity with the Plan. However, with respect to any Participant who disputes such determination, the determination shall not be binding until the Participant has been given reasonable access to all Plan records directly affecting his Account, reasonable opportunity to be heard, and a reasonable explanation of the basis for the Committee's decision.

9.4 **Records and Reports** - The Administrator shall maintain adequate records of its actions and proceedings in administering the Plan and shall file all reports and take all other actions as it deems appropriate in order to comply with any federal or state law. The Administrator shall keep on file, in such form as it shall deem convenient and proper, a statement of each Participant's Account as from time to time determined. A complete copy of the Plan shall be made available by the Administrator for examination by each Participant during reasonable hours at the office of the Company. The statement of an individual Participant's Account shall be made available as aforesaid for examination by the Participant, but not by any other Participant.

ARTICLE X

Amendment and Termination

10.1 **Right to Amend** - The Company shall have the right to amend the Plan in writing in accordance with applicable state law, at any time, and with respect to any provisions thereof, and all parties thereto or claiming any interest thereunder shall be bound thereby.

10.2 **Amendment Required by Federal Law** - The Plan may be amended at any time, retroactively if required, if found necessary in order to conform to the provisions and requirements of the Internal Revenue Code or ERISA, or any similar act or any amendments thereto or regulations promulgated thereunder; no such amendment shall be considered prejudicial to any interest of any Employee or Participant.

10.3 **Right to Terminate** - The Company reserves the right, at any time and in its sole discretion: (i) to terminate contributions under the Plan, (ii) to suspend making such contributions for a fixed or indeterminate period of time, or (iii), to terminate the Plan.

In the event of suspension or termination of Company contributions pursuant to clause (i) or (ii) of the preceding paragraph, the Company shall continue all other aspects of the Plan, in which event distributions will be made in accordance with ARTICLES VII and VIII.

In the event of termination of the Plan, the rights of all Participants in their Accounts shall become fully vested and the Accounts shall be immediately distributed to the Participants in a single lump sum. However, the Plan may be terminated pursuant to this paragraph only if: (i) the Company determines that Section 409A of the Internal Revenue Code does not apply to the Plan, or (ii) if it is determined that Section 409A of the Internal Revenue Code does apply to the Plan: (A) the plan termination is in conjunction with an event that constitutes a distribution

event within the meaning of Section 409A(a)(2) of the Internal Revenue Code, and/or (B) the distribution is otherwise permitted by any regulatory or other guidance issued by the Internal Revenue Service thereunder (including, but not limited to Treas. Regs. §1.409A-3(j)(4)(ix), as presently written or as hereafter amended, replaced or supplemented).

10.4 Employer-Level Change -

10.4.1 Cessation of Business - Notwithstanding any other provision of this Plan to the contrary, in the event the Company ceases to actively carry on the trade or business in which a Participant was employed (whether or not such cessation involves a liquidation of the Company's assets), and if the cessation is not pursuant to a transaction whereby a successor entity continues the trade or business (including the obligations under the Plan), the entire value of the Account shall (as soon as possible but in any event prior to the completion of any liquidation of assets) be distributed in a single lump sum to the Participant, but only if, in connection with the cessation of business: (i) the Company determines that Section 409A of the Internal Revenue Code does not apply to the Plan, or (ii) if it is determined that Section 409A of the Internal Revenue Code does apply to the Plan: (A) the Participant has had a Separation from Service, (B) the cessation is in conjunction with an event that constitutes a distribution event within the meaning of Section 409A(a)(2) of the Internal Revenue Code and/or any regulatory or other guidance issued by the Internal Revenue Service thereunder, or (C) the distribution is otherwise permitted under regulations or other guidance issued by the Internal Revenue Service under Section 409A of the Internal Revenue Code.

10.4.2 Change in Control - Notwithstanding any provision of this Plan to the contrary (other than Section 10.4.4, below), upon any Change in Control Event provided in Section 10.4.3, below, the entire value of each affected Participant's Account shall (as soon as possible) be distributed in a single lump sum to the Participant, but only if, in connection with the Change in Control Event: (i) the Company determines immediately before such Change in Control Event that Section 409A of the Internal Revenue Code does not apply to the Plan, or (ii) if the Company determines immediately before such Change in Control Event that Section 409A of the Internal Revenue Code does apply to the Plan: (A) the Participant has had a Separation from Service, (B) the Change in Control Event constitutes a distribution event within the meaning of Section 409A(a)(2) of the Internal Revenue Code and/or any regulatory or other guidance issued by the Internal Revenue Service thereunder, or (C) the distribution is otherwise permitted under regulations or other guidance issued by the Internal Revenue Service under Section 409A of the Internal Revenue Code.

10.4.3 Change in Control Events - Each of the following events shall constitute a Change in Control Event for purposes of the Plan:

(i) the closing of any transaction with respect to which Franklin and its affiliates in the aggregate cease to hold, directly or indirectly, beneficial ownership of more than 50 percent of the total fair market value or total voting power of the outstanding membership

interests in the Company immediately after the consummation of such transaction;

(ii) any person, including a "person" as such term is used in Section 14(d)(2) of the Securities Exchange Act of 1934, as amended, acquires, directly or indirectly, beneficial ownership of securities representing 35% or more of the combined voting power of the outstanding securities of Franklin;

(iii) the closing of any merger, consolidation or other reorganization involving Franklin with respect to which the stockholders of Franklin immediately prior to such reorganization do not hold, directly or indirectly, beneficial ownership of securities representing more than 50 percent of the combined voting power of the outstanding securities of such successor entity immediately following such reorganization;

(iv) the closing of any transaction involving a sale of assets of the Company that have a total gross fair market value equal to or more than 40 percent of the total gross fair market value of all of the assets of the Company;

(v) the closing of any transaction involving a sale of assets of Franklin that have a total gross fair market value equal to or more than 40 percent of the total gross fair market value of all of the assets of Franklin;

(vi) the adoption of any plan or proposal for the liquidation or dissolution of the Company or Franklin; or

(vii) within any 12-month period, individuals who, as of May 15, 2021, constitute the board of directors of Franklin (the "Incumbent Board") cease for any reason to constitute at least a majority of the Incumbent Board; provided, however, that any individual becoming a director subsequent to such date whose election, or nomination for election by Franklin's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board.

10.4.4 Permitted Successor to Company - Upon a Change in Control Event provided in Section 10.4.3(i), (iv), or (vi):

10.4.4.1 Provision may be made by which the Plan will be continued by the successor employer, in which case such successor shall be substituted for the Company under the Plan and Sections 10.4.1 and 10.4.2 shall not apply to the transaction. The substitution of the successor shall constitute an assumption of Plan liabilities by the successor

and the successor shall have all of the powers, duties and responsibilities of the Company under the Plan.

10.4.4.2 If the action described in Section 10.4.4.1 has not been taken within five business days before the effective date of the transaction, the provisions of Section 10.4.1 and 10.4.2 shall govern with respect to the transaction and the immediate distribution provisions of Section 10.3 may apply.

10.4.4.3 In the event of a transaction described in this Section 10.4.4 which applies to a portion of the Company, the provisions of this 10.4.4 shall apply only to the employees transferred in connection therewith.

10.5 Preservation of Rights - Amendment or termination of the Plan shall not affect the rights of any Participant (or Beneficiary) to payment of the amount in his Account, to the extent that such amount was payable under the terms of the Plan prior to the effective date of such amendment or termination.

ARTICLE XI

Miscellaneous

11.1 Limitations on Liability of Company - Neither the establishment of the Plan nor any modification thereof, nor the creation of any Account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Company (or any person connected therewith), except as provided by law or by any Plan provision. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a fiduciary relationship between the Company (or any person connected therewith) and any Participant, Beneficiary or other person. In no event shall the Company (or any person connected therewith) be liable to any person for the failure of any Participant, Beneficiary or other person to be entitled to any particular tax consequences with respect to the Plan or any contribution thereto or distribution therefrom.

11.2 Construction - The Plan is intended to be exempt from Title I of ERISA and from Section 409A of the Internal Revenue Code, and, if any provision of the Plan is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the Plan being so exempted. In case any provision of the Plan shall be held to be illegal or void, such illegality or invalidity shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein. For all purposes of the Plan, where the context admits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the plural shall include the singular. Headings of Articles and Sections are inserted only for convenience of reference and are not to be considered in the construction of the Plan. Except to the extent preempted by the laws of the United States of America, the laws of the state of New York shall govern, control and determine all questions arising with respect to the Plan and the interpretation and validity of its respective provisions. Participation under the Plan will not give any

Participant the right to be retained in the service of the Company or any right or claim to any benefit under the Plan unless such right or claim has specifically accrued hereunder.

11.3 Spendthrift Provision - No amount payable under the Plan will, except as otherwise specifically provided by law, be subject in any manner to anticipation, alienation, attachment, garnishment, sale, transfer, assignment (either at law or in equity), levy, execution, pledge, encumbrance, charge or any other legal or equitable process, and any attempt to do so will be void; nor will any benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled thereto. The foregoing shall not preclude any arrangement for: (i) the withholding of taxes from Plan benefit payments, (ii) the recovery by the Plan of overpayments of benefits previously made to a Participant, or (iii) the direct deposit of benefit payments to an account in a banking institution (if not part of an arrangement constituting an assignment or alienation).

In the event that any Participant's benefits are garnished or attached by order of any court, the Company may bring an action for a declaratory judgment in a court of competent jurisdiction to determine the proper recipient of the benefits to be paid by the Plan. During the pendency of said action, any benefits that become payable shall be paid into the court as they become payable, to be distributed by the court to the recipient it deems proper at the close of said action.

11.4 Delayed Payments to Specified Employees - Notwithstanding any provision of the Plan to the contrary, Specified Employees may not receive any payment(s) upon a Separation from Service unless such payment(s) are made on or after the date that is six months after the date of Separation from Service (or if earlier, the date of death of such Specified Employee).[2] Instead, any such payments to which such Specified Employee would otherwise be entitled during the first six months following such Separation from Service shall be accumulated and paid on the first day of the seventh month following the date of Separation from Service

[2] As of the Effective Date of the Plan, the Plan does not provide any payments upon Separation from Service; accordingly, the provisions in this Section 11.4 are included so that the form of the Plan complies with the requirements of Section 409A of the Code.

IN WITNESS WHEREOF, this Plan is executed this 10th day of February, 2023.

CLEARBRIDGE INVESTMENTS, LLC

By: _/s/ Terrence Murphy_____

FRANKLIN RESOURCES, INC.
2002 UNIVERSAL STOCK INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD

PLEASE NOTE: Where indicated below, certain of your award terms are set forth in your [_____] electronic account ("BenefitsOnline"). Such award terms are incorporated herein by this reference.

Name of Participant: See BenefitsOnline

In accordance with the Franklin Resources, Inc. 2002 Universal Stock Incentive Plan, as amended (the "Plan"), as an incentive for increased efforts and successful achievements, Franklin Resources, Inc. (the "Company") has awarded Participant Restricted Stock Units ("Units") over common stock of the Company subject to the terms and conditions of the accompanying Restricted Stock Unit Award Agreement (the "Award Agreement"), this Notice of Restricted Stock Unit Award (this "Notice of Award" and together with the Award Agreement, the "Award") and the Plan, as follows (capitalized terms used but not defined in this Notice of Award have the same meaning as set forth in the Plan):

Award Date:	**See BenefitsOnline**
Total Number of Units Awarded:	**See BenefitsOnline**
Vesting Schedule:	**See BenefitsOnline**
Restrictive Covenants Apply:	**Yes**

[Vesting schedule terms subject to approval of the Compensation Committee of the Board of Directors of the Company.]

Additional Definitions:

For purposes of the Award, the following additional definitions apply:

"Consultant" means an individual consultant with the Company or any Subsidiary, as applicable, who continues to receive compensation directly from the Company or any Subsidiary in connection with such consulting.

"Continuous Status as an Employee or Consultant" means the absence of any interruption or termination of the Service relationship by the Company or any Subsidiary. Continuous Status as an Employee or Consultant shall not be considered interrupted in the case of: (i) sick leave, military leave or any other leave of absence approved by the Committee, provided that such leave is for a period of not more than ninety (90) days, unless reemployment or Service upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to Company policy adopted from time to time; or (ii) transfers between locations of the Company or between the Company, its Subsidiaries or its successor.

"Management" means one or more of the executive officers or other appropriate senior leader(s) of the Company who are involved in the administration of the Plan or Award or otherwise authorized, other than Participant.

Additional Vesting Schedule Terms:

Subject to Participant's Continuous Status as an Employee or Consultant and other limitations set forth in the Award and the Plan, the Units shall vest on the dates (each, a "Vesting Date") in accordance with the applicable Vesting Schedule set forth in BenefitsOnline (subject to the determination of Fair Market Value in accordance with the terms of the Plan as appropriate).

For purposes of the Award, the term "vest" shall mean, with respect to any Units granted hereunder, that such Units are no longer subject to forfeiture to the Company (other than pursuant to Section 16 of the Award Agreement).

Except as otherwise set forth in the Award or the Plan, the Units subject to this Award shall vest only by Participant's Continuous Status as an Employee or Consultant and such status is at the will of the Company or the applicable Subsidiary (not through any act of being hired or contracted, being granted this Award or acquiring Units hereunder). Nothing in this Award, or in the Plan, which is incorporated herein by this reference, affects the Company's, or a Subsidiary's, right to terminate, or to change the terms of, Participant's Service at any time, with or without cause.

Any portion(s) of the Units that do not vest by the applicable Vesting Date shall be forfeited and deemed reconveyed to the Company as of the applicable Vesting Date, if not sooner forfeited, and the Company shall thereafter be the legal and beneficial owner of such reconveyed Units and shall have all rights and interest in or related thereto without further action by Participant.

Where a fraction of a Unit would vest pursuant to the schedule indicated above, the number of vested Units shall be rounded upwards to the next highest whole number of Units; provided, however, that the aggregate number of Units that become vested shall not exceed the Total Number of Units awarded hereunder.

Additional Notice Terms:

From time to time, the Company may be in a "Blackout Period" and/or subject to applicable securities laws that could subject Participant to liability for engaging in any transaction involving the sale of the Shares. Prior to the sale of any Shares acquired under this Award, it is Participant's responsibility to determine whether or not such sale of Shares will subject Participant to liability under insider trading rules or other applicable securities laws.

The Award is subject to the Plan Documents which may be accessed in electronic form through the Company's intranet, the website of the third-party stock administration provider used by the Company, or another form of electronic communication (*e.g.*, email) or similar methods of access (the "Electronic Access Methods"), as determined by the Company.

In receiving the Award, Participant is hereby notified, and Participant agrees, that the following constitute certain of the terms, conditions and obligations of receiving, holding and potentially vesting in, and settlement of the Award:

(i) Participant may receive the Plan prospectus in connection with the Form S-8 registration statement for the Plan, any updates thereto, the Plan, the Award Agreement and this Notice of Award (collectively, the "Plan Documents") in electronic form either through the Company's intranet, the website of the third-party stock administration provider used by the Company, or another form of electronic communication (*e.g.*, e-mail), as determined by the Company;

(ii) Participant has access to the Company's intranet and the internet;

(iii) Participant may be required to acknowledge receipt of electronic or paper copies of the Plan Documents and the Company's most recent annual report to stockholders; and

(iv) Participant has familiarized himself or herself with, and has acknowledged the contents of and accepted the Award subject to, the terms and provisions of the Plan Documents.

Participant may receive, without charge, upon written or oral request, paper copies of any or all of the Plan Documents, documents incorporated by reference in the Form S-8 registration statement for the Plan, and the Company's most recent annual report to stockholders by requesting them from Stock Administration at the Company, One Franklin Parkway, San Mateo, CA 94403-1906. Telephone +1 (650) 312-2000. Email [_____]. Participant may also withdraw Participant's consent to receive any or all documents electronically by notifying Stock Administration at the above address in writing.

Unless Participant shall be required to accept the Award by electronic or other means, as determined by the Company and as may be indicated in connection with the delivery of the Award, the terms, conditions, obligations and requirements of this Notice of Award shall apply as a condition of receiving and holding the Award without the need for any manual or other execution of this Notice of Award by Participant or the Company, and Participant shall be deemed for all purposes to have accepted the Award in the absence of any written notice from Participant to the contrary. Notwithstanding the foregoing, however, as a condition to holding the Award and/or the vesting or settlement of the Award, upon the Company's request at any time, the Company may require Participant to sign this Notice of Award either manually or electronically.

FRANKLIN RESOURCES, INC.
2002 UNIVERSAL STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This Restricted Stock Unit Award Agreement, together with any Exhibits or Appendix(es) attached hereto (hereinafter, collectively, the "Agreement"), is made as of the Award Date set forth in the Notice of Restricted Stock Unit Award (the "Notice of Award") between Franklin Resources, Inc. (the "Company") and Participant named therein ("Participant").

WITNESSETH:

WHEREAS, the Board and stockholders of the Company have adopted the Franklin Resources, Inc. 2002 Universal Stock Incentive Plan, as amended (the "Plan"), authorizing the grant of Restricted Stock Units ("Units") to eligible individuals as an incentive in connection with the performance of services for the Company and its Subsidiaries, as defined in the Plan, which is incorporated herein by this reference (capitalized terms used but not defined in this Agreement have the same meaning as set forth in the Plan or the Notice of Award, as applicable); and

WHEREAS, the Company recognizes the efforts of Participant on behalf of the Company and its Subsidiaries and desires to motivate Participant in Participant's work and provide an inducement to remain in the service of the Company and its Subsidiaries; and

WHEREAS, the Company has determined that it would be to the advantage and in the interest of the Company and its stockholders to award Units provided for in this Agreement and the Notice of Award to Participant, subject to certain restrictions, as an incentive for increased efforts and successful achievements;

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Restricted Stock Unit Award. The Company is awarding to Participant Units as set forth in the Notice of Award, subject to the rights of and limitations on Participant as owner thereof as set forth in this Agreement. The Award shall be in consideration of Participant's execution of this Agreement and the covenants herein.

2. Transfer Restriction. Units may not be transferred by Participant in any manner except that Units may be transferred by will or by the laws of descent and distribution if Participant dies while an employee or Consultant of the Company or any of its Subsidiaries, and holds vested Units as of the date of such death.

3. Vesting.

(a) Units shall become vested in accordance with the Vesting Schedule in the Notice of Award so long as Participant maintains a Continuous Status as an Employee or Consultant, subject to Section 16 below.

(b) If Participant ceases to maintain a Continuous Status as an Employee or Consultant for any reason except as otherwise provided in this Section 3, then all Units to the extent not yet vested under Section 3(a) on the date Participant ceases to maintain a Continuous Status as an Employee or Consultant shall be forfeited by Participant without payment of any consideration to Participant therefor. Any Units so forfeited shall be cancelled and any Shares considered issuable pursuant to such Units, if applicable, shall be returned to the status of authorized but unissued Shares, to be held for future distributions under the Plan.

(c) Death or Disability. If Participant dies or in the event of termination of Participant's Continuous Status as an Employee or Consultant as a result of Disability (as defined below) while an employee or Consultant of the Company or any of its Subsidiaries, Participant's interest in all Units

awarded hereunder shall become fully vested as of the date of death or termination of Service on account of such Disability, in which case such date shall be deemed the Vesting Date.

(d) Reduction in Workforce. In the event of termination of Participant's Continuous Status as an Employee or Consultant as a result of a Reduction in Workforce (as defined below) while an employee or Consultant of the Company or any of its Subsidiaries, Participant's interest in all Units awarded hereunder shall become fully vested as of the date of such termination of Service, in which case such date shall be deemed the Vesting Date.

(e) Discretionary Approved Leaver Termination. In the event of termination of Participant's Continuous Status as an Employee or Consultant as a result of an Approved Leaver Termination (as defined below) while an employee or Consultant of the Company or any of its Subsidiaries, and subject to Participant's continued compliance with all applicable conditions and criteria, Participant's interest in all such Units awarded hereunder shall vest (to the extent then unvested) and be eligible to be settled during the Short-Term Deferral Period (as defined below) in accordance with Section 4. Any dividends paid on any of the Shares considered issuable pursuant to such Units (including rights to dividend equivalent payments) shall be paid in accordance with Section 4. If Participant engages in Competitive Activity (as defined below) prior to the settlement of the Award, then the portion of the Units awarded hereunder that have not yet been settled at the time Participant engages in such Competitive Activity shall be immediately forfeited by Participant (notwithstanding the prior vesting) without payment of any consideration to Participant therefor and any Shares considered issuable pursuant to such Units, if applicable, shall be returned to the status of authorized but unissued Shares to be held for future distributions under the Plan.

(f) Termination of Service Due to Retirement. In the event of termination of Participant's Continuous Status as an Employee or Consultant as a result of Retirement (as defined below) while an employee or Consultant of the Company or any of its Subsidiaries, and subject to Participant's continued compliance with all applicable conditions and criteria, Participant's interest in all such Units awarded hereunder shall vest (to the extent then unvested) and be eligible to be settled during the Short-Term Deferral Period in accordance with Section 4. Any dividends paid on any of the Shares considered issuable pursuant to such Units (including rights to dividend equivalent payments) shall be paid in accordance with Section 4. If Participant engages in Competitive Activity prior to the settlement of the Award, then the portion of the Units awarded hereunder that have not yet been settled at the time Participant engages in such Competitive Activity shall be immediately forfeited by Participant (notwithstanding the prior vesting) without payment of any consideration to Participant therefor and any Shares considered issuable pursuant to such Units, if applicable, shall be returned to the status of authorized but unissued Shares to be held for future distributions under the Plan.

(g) Definitions. Unless changed by the Committee:

"Approved Leaver Termination" means that Participant ceases to be an employee or Consultant of the Company or its Subsidiaries on account of a voluntary termination of Service by Participant that meets the following requirements: (i) Participant provides Management with at least ninety (90) days prior written notice of such termination and requests in writing that such termination be treated as an Approved Leaver Termination, (ii) Management approves the treatment of such termination as an Approved Leaver Termination, (iii) no Cause exists at the time of such termination, (iv) Participant timely submits a written attestation to Management that Participant is not joining a competitor or otherwise engaging in Competitive Activity, and (v) Participant satisfies such other conditions as may be required by Management in its discretion.

"Cause" means any one or more of the following types of behaviour by Participant which the Company in its sole discretion finds to be sufficient reason to terminate the Participant's Service with the Company or any of its Subsidiaries: (i) any conduct (a) that constitutes Competitive Activity, (b) that breaches any obligation to the Company or its Subsidiaries or Participant's duty of loyalty to the Company or its Subsidiaries, or (c) that is materially injurious to the Company or its Subsidiaries, monetarily or otherwise; (ii) material violation of, or an act taken or the failure to act which causes the

Company or its Subsidiaries to be in violation of any government statue or regulation, or of the constitution, by-laws, rules or regulations of any securities or commodities exchange or a self-regulatory organization to which Participant or the Company or any of its Subsidiaries is subject, or of the policies of the Company or its Subsidiaries; (iii) the entering of an order or decree or the taking of any similar action with respect to Participant which substantially impairs such Participant from performing their duties or makes Participant ineligible from being associated with the Company pursuant to Section 9 of the Investment Company Act of 1940, as amended, or Section 203(f) of the Investment Advisors Act of 1940, as amended, in each case to the extent applicable; (iv) malfeasance, disloyalty or dishonesty in any material respect; (v) any conviction for a felony; (vi) any failure to devote all professional time to assigned duties and to the business of the Company or its Subsidiaries; (vii) failure to satisfactorily perform duties, as determined by Management in its sole discretion, or gross misconduct or gross negligence in the performance of duties; or (viii) failure to remain licensed to perform duties or other act, conduct or circumstance which renders the Participant ineligible for Service with the Company or its Subsidiaries, as applicable.

"Competitive Activity" means Participant's engagement in any activity that competes with any of the business operations of the Company and/or its Subsidiaries, as determined by Management, in its sole discretion, and shall include, without limitation, representing in any capacity, other than as an outside director, a company that competes with the Company and its Subsidiaries.

"Disability" means that Participant ceases to be an employee or Consultant of the Company or its Subsidiaries on account of disability as a result of which Participant is determined to be disabled by the determining authority under the long-term or total permanent disability policy, or government social security or other similar benefit program, of the country or location in which Participant is an employee or Consultant and, in the absence of such determining authority, as determined by Management in accordance with the policies of the Company.

"Reduction in Workforce" means that Participant ceases to be an employee or Consultant of the Company or its Subsidiaries on account of an involuntary termination of Service with the Company and its Subsidiaries due to the elimination of a previously required position or previously required services, where such termination is intended to be permanent; or under other circumstances which Management, in accordance with standards uniformly applied with respect to similarly situated employees or Consultants, designates as a Reduction in Workforce.

"Retirement" means Participant ceases to be an employee or Consultant of the Company or its Subsidiaries on account of a voluntary termination of Service by Participant that meets the following requirements: (i) Participant provides Management with at least ninety (90) days prior written notice (or, if shorter, the maximum notice period permitted under applicable law) of such termination and requests in writing that such termination be treated as a Retirement, (ii) Management approves the treatment of such termination as a Retirement, (iii) such termination occurs on or after Participant reaches age sixty (60) and has completed at least ten (10) full years of Service with the Company or its Subsidiaries, (iv) no Cause exists at the time of such termination, and (v) Participant timely submits a written attestation to Management that Participant is not joining a competitor or otherwise engaging in Competitive Activity.

(h) Management may adopt such policies and/or procedures as it determines is necessary or advisable from time to time to carry out Management's duties under this Agreement. Except as may otherwise be determined by Management, any notice or other information to be provided to Management may be sent to Stock Administration using the contact information in the Notice of Award.

4. Vesting of Units and Issuance of Shares; Deferred Dividends.

(a) Upon each Vesting Date, one Share shall be issuable for each such Unit that vests on such date, subject to the terms and provisions of the Plan, the Notice of Award and this Agreement, and subject to applicable law.

(b) Upon satisfaction of any required tax or other withholding obligations as set forth in Section 6 of this Agreement, the Shares and cash amount (if any) will be issued to Participant (as evidenced by the appropriate entry in the books of the Company or a duly authorized transfer agent of the Company) as soon as practicable after the applicable Vesting Date, but in any event, within the period ending on the later to occur of the date that is two and a half (2½) months from the end of (i) Participant's tax year (which shall be deemed the calendar year for a Participant not subject to taxation in the United States) that includes the applicable Vesting Date, or (ii) the Company's tax year that includes the applicable Vesting Date (such period, the "Short-Term Deferral Period").

(c) With respect to Units vesting in connection with an Approved Leaver Termination or termination of Service due to Retirement, (i) the termination date shall be considered the Vesting Date for purposes of this Section 4, (ii) there shall be no requirement that the Company issue Shares and cash amount (if any) prior to the last day of the Short-Term Deferral Period (however, if Units would have otherwise vested on a regularly scheduled Vesting Date during the Short-Term Deferral Period, the Company will issue Shares and cash amount (if any) with respect to such Units as soon as practicable following such date, subject to the other terms and conditions herein), and (iii) if any cash dividends are paid after Participant's termination date and prior to the issuance of Shares settled during the Short-Term Deferral Period with respect to such Shares, then amounts in cash (or Shares) equal to such cash dividends shall be paid, less any tax or other withholding obligations, prior to the end of the Short-Term Deferral Period. For the avoidance of doubt, if Shares are not settled because Participant engages in Competitive Activity, and the applicable Units are forfeited, amounts in respect of dividends shall not be payable under clause (iii).

(d) Any fractional Unit remaining after all Units under this Award are fully vested shall be discarded and neither a fractional Share nor any dividends issued with respect to such fractional Share shall be issued at vesting of the fractional Unit.

(e) Notwithstanding the above, the Company may, in its discretion, pay to Participant all or a portion of any vested Units in cash in an amount equal to the Fair Market Value of the relevant number of Shares on the applicable Vesting Date, or on such other date or dates within the Short-Term Deferral Period which the Company may at its absolute discretion prescribe, less any tax or other withholding obligations set forth in Section 6 of this Agreement.

5. Right to Shares; Periodic Dividends.

(a) Except as otherwise provided herein and/or determined by the Committee, in its discretion, and as provided in Section 4 and Section 5(b) of this Agreement, Participant shall not have any right in, to or with respect to any of the Shares (including any voting rights or rights with respect to dividends paid on the Shares, including rights to dividend equivalent payments) issuable for a Unit under the Award until the Award is settled by the issuance of such Shares to Participant.

(b) Upon satisfaction of any required tax or other withholding obligations as set forth in Section 6 of this Agreement and subject to Participant's Continuous Status as an Employee or Consultant and subject to applicable law, each Unit shall entitle Participant (excluding, for the avoidance of doubt, any Participant who has terminated Service due to an Approved Leaver Termination or termination of Service due to Retirement) to amount(s) in cash (or Shares) equal to the cash dividends, if any, paid with respect to one Share between the Award Date and the Vesting Date of such Unit, payable at the time and in the manner any such cash dividends are paid to the Company's stockholders; provided, however, that any such amount shall be settled no later than March 15th of the calendar year following the calendar year in which the corresponding dividend record date occurs.

6. Withholding of Taxes.

(a) General. Participant is ultimately liable and responsible for all taxes owed by Participant in connection with the Plan including, without limitation, the award of Units, vesting of Units, issue and sale of Shares regardless of any action the Company or any of its Subsidiaries takes with respect to any tax withholding obligations that arise in connection with the Plan. Neither the

Company nor any of its Subsidiaries makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant or vesting of Units awarded or the subsequent sale of any of the Shares. The Company and its Subsidiaries do not commit, and are under no obligation to structure the Award, to reduce or eliminate Participant's tax liability.

(b) Payment of Withholding Taxes. Prior to any event in connection with Units awarded (*e.g.*, vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state or local taxes or any applicable foreign taxes and including without limitation any employment tax obligation (the "Tax Withholding Obligation"), Participant must agree to the satisfaction of such Tax Withholding Obligation in a manner acceptable to the Company, including by one of the following methods:

(i) *By Share Withholding*. Unless the Company permits Participant to satisfy the Tax Withholding Obligation by some other means in accordance with clause (iii) below, Participant authorizes the Company (in the exercise of its sole discretion) to withhold from those Shares issuable to Participant the whole number of Shares sufficient to satisfy the Tax Withholding Obligation. Share withholding will generally be used to satisfy the tax liability of individuals subject to the short swing profit restrictions of Section 16(b) of the Securities Exchange Act of 1934, as amended.

(ii) *By Sale of Shares*. Unless the Company permits Participant to satisfy the Tax Withholding Obligation by some other means in accordance with clause (iii) below, and provided that the terms of this clause (ii) do not violate Section 13(k) of the Securities Exchange Act of 1934, as amended, Participant's acceptance of the Award constitutes Participant's instruction and authorization to the Company and any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of Shares otherwise issuable to Participant as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the applicable Tax Withholding Obligation. Such Shares will be sold on the day such Tax Withholding Obligation arises (*e.g.*, a Vesting Date) or as soon thereafter as practicable. Participant will be responsible for all brokers' fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent the proceeds of such sale exceed the Tax Withholding Obligation, the Company agrees to pay such excess in cash to Participant. Participant acknowledges that the Company is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the Tax Withholding Obligation. Accordingly, Participant agrees to pay to the Company or any of its Subsidiaries as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the sale of Shares described above.

(iii) *By Check, Wire Transfer or Other Means*. At any time not less than five (5) business days (or such fewer number of days as determined by the Committee or its designee) before any Tax Withholding Obligation arises (*e.g.*, a Vesting Date), Participant may request permission to satisfy the Tax Withholding Obligation by check, wire transfer or other means, by submitting such request, in writing, to the Company. Alternatively, the Company may require that Participant satisfy any Tax Withholding Obligation in any such manner. If the Company approves Participant's request, or so requires, within five (5) business days of the relevant Vesting Date (or such fewer number of days as determined by the Committee or its designee) Participant must deliver to the Company the amount that the Company determines is sufficient to satisfy the Tax Withholding Obligation by (x) wire transfer to such account as the Company may direct, (y) delivery of a certified check payable to the Company, or (z) such other means as specified from time to time by the Committee or its designee.

7. Successors. This Agreement shall (a) inure to the benefit of, and be enforceable by, the Company's successors and assigns, and (b) be binding on Participant's executors, administrators, heirs and successors, in the event that Participant dies and Section 2 of this Agreement applies. Nothing contained in the Plan, the Notice of Award or this Agreement shall be interpreted as imposing any liability on the Company or the Committee in favor of Participant or any purchaser or other transferee of Units or Shares with respect to any loss, cost or expense which such Participant, purchaser or other

transferee may incur in connection with, or arising out of any transaction involving, any Units or Shares subject to the Plan, the Notice of Award or this Agreement.

8. No Compensation Deferrals. This Agreement, the Notice of Award and the Plan are intended to be exempt from or to comply with Section 409A ("Section 409A") of the United States Internal Revenue Code of 1986, as amended, and shall be administered and construed in accordance with such intent. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, unilaterally to amend or modify, or to take any other actions, as the Committee determines are necessary or appropriate with respect to, the Plan, the Notice of Award and/or this Agreement to ensure that no awards (including, without limitation, the Units) become subject to the requirements of Section 409A, provided, however, that the Company makes no representation that the Units are not subject to Section 409A nor makes any undertaking to preclude Section 409A from applying to the Units. In furtherance, and not in limitation, of the foregoing: (a) in no event may Participant designate, directly or indirectly, the calendar year of any payment to be made hereunder; and (b) notwithstanding any other provision of this Agreement to the contrary, a termination of Service hereunder shall mean and be interpreted consistent with a "separation from service" within the meaning of Section 409A with respect to any payment hereunder that constitutes a "deferral of compensation" under Section 409A that becomes due on account of such separation from service. Nothing in this Agreement, the Plan or the Notice of Award shall be interpreted or construed to transfer any liability for any tax (including a tax or penalty due as a result of a failure to comply with Section 409A) from Participant to the Company or to any other individual or entity.

9. Integration. The terms of the Plan, the Notice of Award and this Agreement are intended by the Company and Participant to be the final expression of their agreement with respect to Units and may not be contradicted by evidence of any prior or contemporaneous agreement. The Company and Participant further intend that the Plan, the Notice of Award and this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any arbitration, judicial, administrative or other legal proceeding involving the Plan, the Notice of Award or this Agreement. Accordingly, the Plan, the Notice of Award and this Agreement contain the entire understanding between the parties and supersede all prior oral, written and implied agreements, understandings, commitments and practices among the parties.

10. Waivers. Any failure to enforce any terms or conditions of the Plan, the Notice of Award or this Agreement by the Company or by Participant shall not be deemed a waiver of that term or condition, nor shall any waiver or relinquishment of any right or power for all or any other times.

11. Severability of Provisions. If any provision of the Plan, the Notice of Award or this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision thereof; and the Plan, the Notice of Award and this Agreement shall be construed and enforced as if none of them included such provision.

12. Committee Decisions Conclusive. This Agreement and the Notice of Award are administered and interpreted by the Committee and the Committee has full and exclusive discretion to interpret and administer this Agreement and the Notice of Award. All actions, interpretations and decisions of the Committee are conclusive and binding on all persons, and will be given the maximum possible deference allowed by law.

13. Mandatory Direct Discussion, Mediation, and Arbitration. To the extent permitted by law, any claim, disagreement, or dispute arising out of or relating to the Plan, the Notice of Award, and/or this Agreement, including the meaning or interpretation thereof (a "Dispute"), shall be resolved solely and exclusively by direct discussion and mandatory mediation followed, if necessary, by final and binding arbitration in accordance with the terms and procedures specified in this Section 13. These terms and procedures apply solely to the resolution of a Dispute as defined in this Agreement. Any other claim, issue, or complaint raised by Participant who is subject to the Franklin Templeton Alternative Dispute Resolution Policy and Agreement or such other alternative dispute resolution provision that is set forth in a separate written agreement with the Company or any affiliate thereof

(collectively, the "ADR Agreement"), which claims, issues or complaints are not covered by this Agreement will be resolved according to the terms and procedures of the ADR Agreement. With regard to any Dispute as defined in this Agreement, if there is a difference between the terms or procedures defined in the ADR Agreement, and the terms and procedures defined in this Agreement, this Agreement's terms and procedures shall control. Participant and the Company specifically agree to waive the right to pursue any Dispute before a court or jury.

(a) Direct Discussion. Upon written notice of any Dispute, Participant and the Company (each referred to as a "party" and together as the "parties") shall first attempt to resolve the Dispute by direct discussion.

(b) Mediation. If a Dispute is not resolved by direct discussion then either party may request mediation of the Dispute by sending a written notice requesting mediation to the other party. The parties will mutually agree to the selection of a mediator, whose compensation will be borne by the Company.

(c) Arbitration. If a Dispute is not resolved by direct discussion and mandatory mediation, then either party may request final and binding arbitration of the Dispute by sending a written notice requesting arbitration to the other party. The Dispute will be heard by a single arbitrator unless, within 45 days of receiving the initial written demand for arbitration, either party elects by written notice to the other party for the arbitration to be heard by a panel of three arbitrators. If a single arbitrator is used, the parties will mutually agree to the selection of the arbitrator. If either party elects for the arbitration to be heard by a panel of three arbitrators, each party will select one arbitrator, and the arbitrators selected by the parties will, within a reasonable period of time, then appoint a third arbitrator to serve as chair of the panel.

The arbitration will be conducted in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") as amended and effective November 1, 2009 (the "AAA Rules") but without necessarily retaining AAA or any other third party to administer the arbitration. The parties will determine whether a third-party administration service is necessary and, if jointly deemed necessary, agree to a mutually acceptable arbitration administration service, whether AAA or otherwise, within 45 days of receipt of the initial written demand for arbitration. If the parties do not agree about whether a third party is needed to administer the arbitration, or if the parties cannot reach agreement as to which administration service to use within 45 days, any arbitration will be administered by AAA. The location for the arbitration shall be in the county or comparable jurisdiction of Participant's Service. Judgment on the award rendered may be entered in any court having jurisdiction.

The Company will pay all of the costs of arbitration that are attributable to the employer pursuant to the AAA Rules, unless applicable law requires the Company to pay a greater share or all of the costs. In addition, if a single arbitrator is used, or if the Company elects for the arbitration to be heard by a panel of three arbitrators, the compensation and expenses of the arbitrator(s) will be paid by the Company. If Participant elects for the arbitration to be heard by a panel of three arbitrators, Participant will be responsible for paying one-half of the arbitrators' compensation and expenses.

All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this Section. To the extent permitted by law, Participant waives the right to participate in a class, representative or collective action, as a class representative, class member, as an opt-in party, or private attorney general or join or consolidate claims with claims of any other person or entity, with respect to any Dispute, whether before a court or jury or in arbitration. Nothing in this Agreement, however, is intended or understood to limit, contradict, or preclude the rights reserved by law for Participant to initiate any administrative claim, or to excuse Participant from bringing an administrative claim before any agency in order to fulfill any obligation by Participant to exhaust administrative remedies. The provisions of this Section are intended by Participant and the Company to be exclusive for all purposes and applicable to any and all Disputes.

Except as otherwise provided in this Agreement, or as otherwise mutually agreed by the parties, the arbitrator(s) will conduct the arbitration pursuant to the AAA Rules, the U.S. Federal Arbitration Act, 9 U.S.C. section 1, et seq., and the U.S. Federal Rules of Evidence. The arbitrator(s) shall have jurisdiction and authority only to award Participant an amount equal to or less than the amount of the Award challenged in the Dispute, subject to the same terms and conditions as the Notice of Award in Dispute, and shall not have jurisdiction or authority to make any other award of any type, including, without limitation, punitive damages, unforeseeable economic damages, damages for pain, suffering or emotional distress, or any other kind or form of damages (the "Arbitrator Authority"). Thus, the arbitrator(s) shall not have jurisdiction or authority to grant preliminary or final injunctive relief or specific performance. The remedy, if any, awarded by the arbitrator(s) within the Arbitrator Authority shall be the sole and exclusive remedy for any Dispute that is subject to arbitration under this Section.

If Participant is an Associated Person employed by a Member Firm (as each such term is defined by the rules of the Financial Industry Regulatory Authority ("FINRA")), nothing in this Agreement prohibits or restricts Participant or the Member Firm from filing an arbitration claim involving a Dispute in the FINRA arbitration forum as specified in FINRA rules. In such a case, the parties each reserve the right to elect to have the arbitration heard by a panel of three arbitrators regardless of the dollar amount of the claim. The parties further agree that the authority of the arbitrator(s) in any FINRA arbitration of a Dispute is limited to the Arbitrator Authority defined above. Unless otherwise mutually agreed by the parties, the arbitrator(s) will conduct the arbitration pursuant to the FINRA Code of Arbitration Procedure for Industry Disputes (the "FINRA Code") and the Federal Rules of Evidence. All fees, costs, and expenses of FINRA arbitration, whether a single arbitrator or a panel of arbitrators is selected, including any hearing session fees, arbitration fees, surcharges, and filing fees, will be allocated as specified in the FINRA Code.

14. Delaware Law. The Plan, the Notice of Award and this Agreement are governed by, and all Disputes arising under or in connection with the Plan, the Notice of Award and this Agreement shall be resolved in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules, to the extent not pre-empted by the federal laws of the United States of America.

15. Country Appendices. If Participant relocates to a country outside the United States: (i) any special terms and conditions that may apply to Units granted to Participants in such country under Appendices to this Agreement will apply to Participant; or (ii) if the Company has not previously granted Restricted Stock Units to employees or Consultants in such country, any other special terms and conditions will apply to Participant, in each case to the extent the Company determines that the application of such terms and conditions is necessary or advisable to comply with local law or facilitate the administration of the Plan, and provided the imposition of the term or condition will not result in any adverse accounting expense with respect to the Units (unless the Company specifically determines to incur such expense).

16. Forfeiture.

(a) Forfeiture Pursuant to Restatement of Financial Results. Notwithstanding anything in the Award to the contrary, in the event that (i) the Company issues a restatement of financial results to correct a material error; (ii) the Committee determines, in good faith, that fraud or willful misconduct by Participant was a significant contributing factor to the need to issue such restatement; and (iii) some or all of the Units that were granted and/or Shares and/or other property earned prior to such restatement by Participant would not have been granted and/or earned, as applicable, based upon the restated financial results, Participant shall immediately return to the Company all Shares and other property received with respect to those Units, including any cash dividends paid with respect to the Units or such Shares, any pre-tax- income derived from ownership and any gross proceeds from disposition of such Shares and property, that would not have been granted and/or earned based upon the restated financial results (the "Repayment Obligation"), and all such Units (whether or not vested) shall immediately be forfeited. The Company shall be able to enforce the Repayment Obligation by all legal means available, including, without limitation, by withholding such amount from other sums and property owed by the Company to Participant.

(b) Forfeiture Pursuant to Fraud or Breach of Securities Law. Notwithstanding anything in the Award to the contrary, in the event that Participant:

(i) is convicted by any court for fraud;

(ii) is finally adjudicated by any court or is otherwise finally determined by a Regulatory Agency to be in violation of any Securities Law where the violation related to a period of time during which Participant was an employee or Consultant; or

(iii) enters into a settlement agreement with a Regulatory Agency, with or without admission of any liability, in relation to or in connection with an allegation concerning a violation of any Securities Law by Participant where the violation or alleged violation related to a period of time during which Participant was an employee or Consultant, and the terms of the settlement agreement result in (x) Participant making, or being required to make, payment of any penalty or a payment in lieu of any penalty or redress in respect of such violation, or alleged violation; (y) the publication of any statement of reprimand or censure; or (z) Participant suffering any other penalty including (without limitation) suspension or termination of Participant's status for the purposes of any Securities Law, all of Participant's Units that have not vested shall immediately be forfeited without any payment to Participant therefor. Any Units so forfeited shall be cancelled.

Notwithstanding the foregoing, the Committee may determine, in its sole discretion, that only a portion of Participant's Units specified by the Committee (or no Units) shall be forfeited.

For the purposes of this Section 16(b), the following words shall have the following meanings:

"Regulatory Agency" shall mean in any jurisdiction any department of government, independent agency, authority appointed by statute or by government in connection with the supervision and/or enforcement of any Securities Law including, but not limited to, the U.S. Securities and Exchange Commission;

"Securities Law" shall mean any enactment, law, statute, rule, requirement or regulation in any jurisdiction relating to Securities that is or was applicable to the Company or that is or was applicable to Participant; and

"Securities" shall mean any shares, bonds, derivatives or other financial instruments or financial assets or any interest therein.

(c) Other Repayment/Forfeiture. Any benefits Participant may receive hereunder shall be subject to repayment or forfeiture as may be required to comply with (i) any applicable listing standards of a national securities exchange adopted in accordance with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder, (ii) similar laws, and implementing rules and regulations, of the European Union (as implemented by its member states and by the European Securities and Markets Authority) and of any other jurisdiction and (iii) any policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to Participant.

END OF AGREEMENT

EXHIBIT A
TO
FRANKLIN RESOURCES, INC.
AWARD AGREEMENT

RESTRICTIVE COVENANTS

This **Exhibit A** to the Agreement shall apply if so indicated in the Notice of Award.

1. Confidentiality.

(a) Confidential Information Obligations and Restrictions. Participant shall keep confidential and, except as the Company may otherwise consent to in writing, shall not divulge, communicate, disclose, or use to the detriment of the Company Group or for the benefit of any other person or persons, misuse in any way, or make any use of, except for the benefit of the Company Group, at any time either between the Award Date and the applicable Vesting Date or at any time thereafter, any Confidential Information (as defined below). Participant shall not disclose, deliver, reproduce, or in any way allow any such Confidential Information to be disclosed, delivered to or used by any third parties without the specific direction or consent of a duly authorized representative of the Company, except in connection with the discharge of Participant's duties. Any Confidential Information now or hereafter acquired by Participant with respect to the business of the Company Group shall be deemed a valuable, special and unique asset of the Company Group that is received by Participant in confidence and as a fiduciary, and Participant shall remain a fiduciary to the Company with respect to all of such information. Notwithstanding anything to the contrary herein, Participant shall not have any obligation to keep confidential any information (and the term "Confidential Information" shall not be deemed to include any information) that (i) is generally available to the public through no fault or wrongful act of Participant in breach of the terms hereof, (ii) is disseminated by the Company Group publicly without requiring confidentiality, (iii) is required by law or regulation to be disclosed by Participant, or (iv) is required to be disclosed by Participant to any Government Agency (as defined below) or person to whom disclosure is required by judicial or administrative process.

(b) Permissible Disclosure of Confidential Information.

(i) Participant Rights Protected. Nothing in this Agreement shall limit or interfere with Participant's right to file a charge or complaint with any Government Agency (as defined below) or ability, without notice to or authorization from the Company, to communicate with any Government Agency for the purpose of reporting a reasonable belief that a possible violation of law has occurred or may occur, or to participate, cooperate, provide information (including documents) or testify in any inquiry, investigation, proceeding or action that may be conducted by any Government Agency. Participant will not be held criminally or civilly liable under any U.S. federal or state trade secret law, including the Defend Trade Secrets Act of 2016 (as amended from time to time) (or applicable law in jurisdictions other than the U.S. that afford equivalent disclosure protections) for the disclosure of any Confidential Information or other trade secret that is made in confidence to a Government Agency (or, in jurisdictions other than the U.S., to equivalent governmental agencies) or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. Participant will also not be held criminally or civilly liable under any U.S. federal or state trade secret law (or applicable law in jurisdictions other than the U.S. that afford equivalent disclosure protections) for the disclosure of any Confidential Information or other trade secret that is made in a complaint or other document filed in a legal proceeding, if such filing is made under seal (or, in the case of jurisdictions other than the U.S., in any manner that has equivalent effect). If Participant files a claim against the Company or any member of the Company Group alleging that the Company (or any member

of the Company Group) retaliated against Participant for reporting a suspected violation of law, Participant may disclose the Confidential Information or other trade secret to Participant's attorney and use the Confidential Information or other trade secret information in such legal proceeding provided Participant (i) files any document containing the Confidential Information or other trade secret under seal and (ii) does not otherwise disclose the Confidential Information or other trade secret, except pursuant to an order issued by the tribunal with jurisdiction over Participant's claim.

(ii) Responding to Legal Process. Separately, to the extent Participant receives any subpoena, court order, or other legal process issued in any private litigation or arbitration regarding any matter or action involving the Company Group, then to the extent permitted by law or regulation, Participant shall, before providing any Confidential Information, give prompt prior written notice to the Company's General Counsel in order to provide the Company with a reasonable opportunity to take appropriate steps to protect its Confidential Information to the fullest extent possible.

2. Return of Confidential Material. Upon the completion or other termination of Participant's services for the Company Group, Participant shall promptly surrender and deliver to the Company all records, materials, equipment, drawings, documents, notes and books and data of any nature pertaining to any Confidential Information of the Company Group or to Participant's services, and Participant will not take any description containing or pertaining to any Confidential Information or data of the Company Group which Participant may produce or obtain during the course of Participant's services.

3. Non-Solicit; Non-Interference. Participant agrees that the Company Group has invested substantial time, effort and expense in compiling its Confidential Information, in assembling its present staff of personnel and in attracting and/or contracting with its current clients and customers and its prospective clients and customers. In consideration of the Company Group granting access to Confidential Information, and in order to protect both the confidentiality of Confidential Information and the Company Group's connections with staff, clients and customers and prospective clients and customers, Participant agrees that, subject to any applicable jurisdiction specific limitations set forth in Section 4(a) and 4(b) below, during Participant's Service and during the Restricted Period, Participant shall not:

(a) either on Participant's own account or in conjunction with or on behalf of any other person, directly or indirectly, solicit, approach, counsel, entice away or attempt to entice away any individual who during the Relevant Period is or was a Senior Employee of the Company Group in the Restricted Area to leave the employ of the Company Group, including by means of the supply of names or expressing views on qualifications or otherwise; or

(b) either on Participant's own account or in conjunction with or on behalf of any other person, solicit, approach, contact, or have business dealings with, directly or indirectly, any Restricted Person for the purpose of diverting the Restricted Person's account or other business relationship away from the Company Group; provided, that nothing contained in this Section 3(b) shall be deemed to prohibit Participant from seeking or doing any business which is not in direct or indirect competition with the business carried on by the Company Group.

4. Certain Limitations. If a court determines that a restriction set forth in Section 3(a) or 3(b) cannot be enforced as written because it is overbroad in part (such as time, scope of activity, or geography), the parties agree that a court shall enforce the restrictions to such lesser extent as is allowed by law and/or reform the overbroad part of the restriction to make it enforceable. If, despite the foregoing, any provision contained in this Exhibit A is determined to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect. In addition, the following provisions shall apply to limit, in whole or in part, the application of Section 3(a) and 3(b) of this Exhibit A during the Restricted Period only:

(a) **California**. For so long as Participant resides in California and California law controls, Section 3(a) shall be limited to solicitation by unlawful means, including use of Confidential Information, and Section 3(b) shall be limited to solicitation to the extent that Participant's solicitation involves use or disclosure of Confidential Information.

(b) **New York**. For so long as Participant resides in New York and New York law controls, Restricted Person as used in Section 3(b) shall not include a client or customer (person or entity) with whom Participant had a client relationship prior to Participant's Service with the Company Group.

5. Consideration. The Award shall be in consideration for Participant's execution of this Agreement and the covenants contained herein, which include the aforementioned restrictions and, in particular, the non-interference and non-solicit obligations set out in Section 3(a) and 3(b) of this Exhibit A.

6. Acceptance. Participant accepts that the restrictions contained in this Exhibit A are reasonable and necessary for the protection of the legitimate interests of the Company Group.

7. Award Agreement Restrictive Covenants. Participant expressly acknowledges that the restrictive covenants contained in this Exhibit A to the Award Agreement do not replace and/or supersede any other restrictive covenants agreed between Participant and the Employer. Restrictive covenants contained in Exhibit A are in addition to any other restrictive covenants agreed and may be enforced separately and independently.

8. Definitions. For purposes of this Exhibit A, the capitalized terms used above shall have the following meanings:

(a) "Company Group" means the Company and its Subsidiaries, partnerships, joint ventures and related and affiliated business entities.

(b) "Confidential Information" means information disclosed to Participant or known by Participant as a consequence of or through the unique position of Participant's Service with the Company or any of its Subsidiaries (including information conceived, originated, discovered or developed by Participant) prior to or after the Award Date, and not generally or publicly known, about the Company or its business, including, without limitation, data, information or other compilation of information of the Company Group relating to the products, processes, technical data, research and development, formulas, programs, test data, customer lists, investor lists, business plans, marketing plans, investment plans and strategies, pricing strategies or other subject matter pertaining to any business of the Company Group or any of its funds, clients, customers, consultants, licensees or affiliates, or private or otherwise protected data relating to employee applicants or employees of the Company Group, each as Participant may produce, obtain or otherwise learn of during the course of Participant's performance of services, including information expressly deemed to be confidential by the Company Group.

(c) "Government Agency" includes any U.S. or non-U.S. national, federal, provincial, regional, state, or local governmental agency, commission or legislative body, or self-regulatory organization, including, by way of representative example only, any securities and financial regulators or employment and labor regulators.

(d) "Relevant Period" means the 12-month period up to and including the date of Participant's termination of Service with the Company Group (or, where Participant is placed on garden leave, the 12-month period up to and including the date of the commencement of such period of garden leave).

(e) "Restricted Area" means those geographic regions or territories within any country or state in which any member of the Company Group operates where during the last two years

of Participant's Service with the Company Group, as applicable: (i) Participant is or was engaged to provide services or materially involved in providing services (including account management, both individually and with colleagues, and client services undertaken in locations outside Participant's place of work); and/or (ii) Participant has or had geographic responsibility.

(f) "Restricted Period" means the 12-month period after the date of Participant's termination of Service with the Company Group. The Restricted Period shall be reduced by any period spent on garden leave.

(g) "Restricted Person" means any person in the Restricted Area who was an investor or business partner, a client or customer, or prospective client or customer of the Company Group during the Relevant Period and with whom Participant had material business dealings during the Relevant Period.

(h) "Senior Employee" means any employee with whom Participant had material business dealings during the Relevant Period and who: (i) has direct business contact with clients or customers or prospective clients or customers as part of such employee's day to day work; or (ii) operates at a senior professional level or holds a management/executive role.

9. Survival. This Exhibit A shall survive the expiration or termination of Participant's Service and shall survive the expiration or termination of the Agreement.

FRANKLIN RESOURCES, INC.
2002 UNIVERSAL STOCK INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD

PLEASE NOTE: Where indicated below, certain of your award terms are set forth in your [_____] electronic account ("BenefitsOnline"). Such award terms are incorporated herein by this reference.

Name of Participant: See BenefitsOnline

In accordance with the Franklin Resources, Inc. 2002 Universal Stock Incentive Plan, as amended (the "Plan"), as an incentive for increased efforts and successful achievements, Franklin Resources, Inc. (the "Company") has awarded Participant Restricted Stock Units ("Units") over common stock of the Company subject to the terms and conditions of the accompanying Restricted Stock Unit Award Agreement (the "Award Agreement"), this Notice of Restricted Stock Unit Award (this "Notice of Award" and together with the Award Agreement, the "Award") and the Plan, as follows (capitalized terms used but not defined in this Notice of Award have the same meaning as set forth in the Plan):

Award Date:	**See BenefitsOnline**
Total Number of Units Awarded:	**See BenefitsOnline**
Performance Vesting Schedule:	**See Schedule 1 attached hereto and the additional terms set forth below**
Restrictive Covenants Apply:	**Yes**

[Vesting schedule terms subject to approval of the Compensation Committee of the Board of Directors of the Company.]

Additional Definitions:

For purposes of the Award, the following additional definitions apply:

"Consultant" means an individual consultant with the Company or any Subsidiary, as applicable, who continues to receive compensation directly from the Company or any Subsidiary in connection with such consulting.

"Continuous Status as an Employee or Consultant" means the absence of any interruption or termination of the Service relationship by the Company or any Subsidiary. Continuous Status as an Employee or Consultant shall not be considered interrupted in the case of: (i) sick leave, military leave or any other leave of absence approved by the Committee, provided that such leave is for a period of not more than ninety (90) days, unless reemployment or Service upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to Company policy adopted from time to time; or (ii) transfers between locations of the Company or between the Company, its Subsidiaries or its successor.

"Management" means one or more of the executive officers or other appropriate senior leader(s) of the Company who are involved in the administration of the Plan or Award or otherwise authorized, other than Participant.

Performance Verification:

Notwithstanding the performance Vesting Schedule indicated above and in BenefitsOnline, the Units shall not vest unless and until Management has verified that the terms of this Notice of Award and the Award Agreement have been satisfied and the extent to which any of the vesting criteria has been achieved. In the event that the verification of the extent to which the vesting criteria for a given fiscal year have been achieved is completed after the applicable Vesting Date, the Vesting Date shall be delayed until the date the verification specifies as the new Vesting Date; provided, that any new Vesting Date shall be in the same fiscal year as the original Vesting Date.

Additional Vesting Schedule Terms:

Subject to Participant's Continuous Status as an Employee or Consultant and other limitations set forth in the Award and the Plan, including without limitation completion of the performance verification as indicated above, the Units shall vest on the dates (each, a "Vesting Date") in accordance with the applicable Vesting Schedule indicated above and in BenefitsOnline (subject to the determination of Fair Market Value in accordance with the terms of the Plan as appropriate).

For purposes of the Award, the term "vest" shall mean, with respect to any Units granted hereunder, that such Units are no longer subject to forfeiture to the Company (other than pursuant to Section 16 of the Award Agreement).

Except as otherwise set forth in the Award or the Plan, the Units subject to this Award shall vest only by Participant's Continuous Status as an Employee or Consultant and such status is at the will of the Company or the applicable Subsidiary (not through any act of being hired or contracted, being granted this Award or acquiring Units hereunder). Nothing in this Award, or in the Plan, which is incorporated herein by this reference, affects the Company's, or a Subsidiary's, right to terminate, or to change the terms of, Participant's Service at any time, with or without cause.

Any portion(s) of the Units that do not vest by the applicable Vesting Date shall be forfeited and deemed reconveyed to the Company as of the applicable Vesting Date, if not sooner forfeited, and the Company shall thereafter be the legal and beneficial owner of such reconveyed Units and shall have all rights and interest in or related thereto without further action by Participant.

Where a fraction of a Unit would vest pursuant to the schedule indicated above, the number of vested Units shall be rounded upwards to the next highest whole number of Units; provided, however, that the aggregate number of Units that become vested shall not exceed the Total Number of Units awarded hereunder.

Additional Notice Terms:

From time to time, the Company may be in a "Blackout Period" and/or subject to applicable securities laws that could subject Participant to liability for engaging in any transaction involving the sale of the Shares. Prior to the sale of any Shares acquired under this Award, it is Participant's responsibility to determine whether or not such sale of Shares will subject Participant to liability under insider trading rules or other applicable securities laws.

The Award is subject to the Plan Documents which may be accessed in electronic form through the Company's intranet, the website of the third-party stock administration provider used by the Company, or another form of electronic communication (*e.g.*, email) or similar methods of access (the "Electronic Access Methods"), as determined by the Company.

In receiving the Award, Participant is hereby notified, and Participant agrees, that the following constitute certain of the terms, conditions and obligations of receiving, holding and potentially vesting in, and settlement of the Award:

(i) Participant may receive the Plan prospectus in connection with the Form S-8 registration statement for the Plan, any updates thereto, the Plan, the Award Agreement and this Notice

of Award (collectively, the "Plan Documents") in electronic form either through the Company's intranet, the website of the third-party stock administration provider used by the Company, or another form of electronic communication (*e.g.*, e-mail), as determined by the Company;

(ii) Participant has access to the Company's intranet and the internet;

(iii) Participant may be required to acknowledge receipt of electronic or paper copies of the Plan Documents and the Company's most recent annual report to stockholders; and

(iv) Participant has familiarized himself or herself with, and has acknowledged the contents of and accepted the Award subject to, the terms and provisions of the Plan Documents.

Participant may receive, without charge, upon written or oral request, paper copies of any or all of the Plan Documents, documents incorporated by reference in the Form S-8 registration statement for the Plan, and the Company's most recent annual report to stockholders by requesting them from Stock Administration at the Company, One Franklin Parkway, San Mateo, CA 94403-1906. Telephone +1 (650) 312-2000. Email [_____]. Participant may also withdraw Participant's consent to receive any or all documents electronically by notifying Stock Administration at the above address in writing.

Unless Participant shall be required to accept the Award by electronic or other means, as determined by the Company and as may be indicated in connection with the delivery of the Award, the terms, conditions, obligations and requirements of this Notice of Award shall apply as a condition of receiving and holding the Award without the need for any manual or other execution of this Notice of Award by Participant or the Company, and Participant shall be deemed for all purposes to have accepted the Award in the absence of any written notice from Participant to the contrary. Notwithstanding the foregoing, however, as a condition to holding the Award and/or the vesting or settlement of the Award, upon the Company's request at any time, the Company may require Participant to sign this Notice of Award either manually or electronically.

FRANKLIN RESOURCES, INC.
2002 UNIVERSAL STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This Restricted Stock Unit Award Agreement, together with any Exhibits or Appendix(es) attached hereto (hereinafter, collectively, the "Agreement"), is made as of the Award Date set forth in the Notice of Restricted Stock Unit Award (the "Notice of Award") between Franklin Resources, Inc. (the "Company") and Participant named therein ("Participant").

WITNESSETH:

WHEREAS, the Board and stockholders of the Company have adopted the Franklin Resources, Inc. 2002 Universal Stock Incentive Plan, as amended (the "Plan"), authorizing the grant of Restricted Stock Units ("Units") to eligible individuals as an incentive in connection with the performance of services for the Company and its Subsidiaries, as defined in the Plan, which is incorporated herein by this reference (capitalized terms used but not defined in this Agreement have the same meaning as set forth in the Plan or the Notice of Award, as applicable); and

WHEREAS, the Company recognizes the efforts of Participant on behalf of the Company and its Subsidiaries and desires to motivate Participant in Participant's work and provide an inducement to remain in the service of the Company and its Subsidiaries; and

WHEREAS, the Company has determined that it would be to the advantage and in the interest of the Company and its stockholders to award Units provided for in this Agreement and the Notice of Award to Participant, subject to certain restrictions, as an incentive for increased efforts and successful achievements;

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Restricted Stock Unit Award. The Company is awarding to Participant Units as set forth in the Notice of Award, subject to the rights of and limitations on Participant as owner thereof as set forth in this Agreement. The Award shall be in consideration of Participant's execution of this Agreement and the covenants herein.

2. Transfer Restriction. Units may not be transferred by Participant in any manner except that Units may be transferred by will or by the laws of descent and distribution if Participant dies while an employee or Consultant of the Company or any of its Subsidiaries, and holds vested Units as of the date of such death.

3. Vesting.

(a) Units shall become vested in accordance with the Vesting Schedule in the Notice of Award so long as Participant maintains a Continuous Status as an Employee or Consultant, subject to Section 16 below.

(b) If Participant ceases to maintain a Continuous Status as an Employee or Consultant for any reason except as otherwise provided in this Section 3, then all Units to the extent not yet vested under Section 3(a) on the date Participant ceases to maintain a Continuous Status as an Employee or Consultant shall be forfeited by Participant without payment of any consideration to Participant therefor. Any Units so forfeited shall be cancelled and any Shares considered issuable pursuant to such Units, if applicable, shall be returned to the status of authorized but unissued Shares, to be held for future distributions under the Plan.

(c) Death or Disability. If Participant dies or in the event of termination of Participant's Continuous Status as an Employee or Consultant as a result of disability (as determined by Management in accordance with the applicable policies of the Company) while an employee or Consultant of the Company or any of its Subsidiaries, a pro rata portion of the Units awarded hereunder to the extent not

yet vested shall vest, and any then remaining unvested Units hereunder shall be forfeited to the Company, in each case as of the date of death or termination of Service on account of such disability. Unless changed by the Committee, "disability" means that Participant ceases to be an employee or Consultant on account of disability as a result of which Participant is determined to be disabled by the determining authority under the long-term or total permanent disability policy, or government social security or other similar benefit program, of the country or location in which Participant is an employee or Consultant and, in the absence of such determining authority, as determined by Management in accordance with the policies of the Company. As used herein, "pro rata portion" means the amount determined by Management in their sole discretion. Management may adopt such policies and/or procedures as it determines is necessary or advisable from time to time to carry out Management's duties under this Agreement.

4. Vesting of Units and Issuance of Shares; Dividends. Upon each Vesting Date, (i) one Share and (ii) amount(s) in cash (or Shares) equal to the cash dividends, if any, paid with respect to such Share between the Award Date and the Vesting Date of such Unit, shall be issuable for each such Unit that vests on such date, subject to the terms and provisions of the Plan, the Notice of Award and this Agreement, and subject to applicable law. Upon satisfaction of any required tax or other withholding obligations as set forth in Section 6 of this Agreement, the Shares and cash amount (if any) will be issued to Participant (as evidenced by the appropriate entry in the books of the Company or a duly authorized transfer agent of the Company) as soon as practicable after the applicable Vesting Date, but in any event, within the period ending on the later to occur of the date that is two and a half (2½) months from the end of (i) Participant's tax year (which shall be deemed the calendar year for a Participant not subject to taxation in the United States) that includes the applicable Vesting Date, or (ii) the Company's tax year that includes the applicable Vesting Date (such period, the "Short-Term Deferral Period"). Any fractional Unit remaining after all Units under this Award are fully vested shall be discarded and neither a fractional Share nor any dividends issued with respect to such fractional Share shall be issued at vesting of the fractional Unit. Notwithstanding the above, the Company may, in its discretion, pay to Participant all or a portion of any vested Units in cash in an amount equal to the Fair Market Value of the relevant number of Shares on the applicable Vesting Date, or on such other date or dates within the Short-Term Deferral Period which the Company may at its absolute discretion prescribe, less any tax or other withholding obligations set forth in Section 6 of this Agreement.

5. Right to Shares. Except as otherwise provided herein and/or determined by the Committee, in its discretion, and as provided in Section 4 of this Agreement, Participant shall not have any right in, to or with respect to any of the Shares (including any voting rights or rights with respect to dividends paid on the Shares, including rights to dividend equivalent payments) issuable for a Unit under the Award until the Award is settled by the issuance of such Shares to Participant.

6. Withholding of Taxes.

(a) General. Participant is ultimately liable and responsible for all taxes owed by Participant in connection with the Plan including, without limitation, the award of Units, vesting of Units, issue and sale of Shares regardless of any action the Company or any of its Subsidiaries takes with respect to any tax withholding obligations that arise in connection with the Plan. Neither the Company nor any of its Subsidiaries makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant or vesting of Units awarded or the subsequent sale of any of the Shares. The Company and its Subsidiaries do not commit, and are under no obligation to structure the Award, to reduce or eliminate Participant's tax liability.

(b) Payment of Withholding Taxes. Prior to any event in connection with Units awarded (*e.g.*, vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state or local taxes or any applicable foreign taxes and including without limitation any employment tax obligation (the "Tax Withholding Obligation"), Participant must agree to the satisfaction of such Tax Withholding Obligation in a manner acceptable to the Company, including by one of the following methods:

(i) *By Share Withholding*. Unless the Company permits Participant to satisfy the Tax Withholding Obligation by some other means in accordance with clause (iii) below, Participant authorizes the Company (in the exercise of its sole discretion) to withhold from those Shares issuable to Participant the whole number of Shares sufficient to satisfy the Tax Withholding Obligation. Share withholding will generally be used to satisfy the tax liability of individuals subject to the short swing profit restrictions of Section 16(b) of the Securities Exchange Act of 1934, as amended.

(ii) *By Sale of Shares*. Unless the Company permits Participant to satisfy the Tax Withholding Obligation by some other means in accordance with clause (iii) below, and provided that the terms of this clause (ii) do not violate Section 13(k) of the Securities Exchange Act of 1934, as amended, Participant's acceptance of the Award constitutes Participant's instruction and authorization to the Company and any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of Shares otherwise issuable to Participant as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the applicable Tax Withholding Obligation. Such Shares will be sold on the day such Tax Withholding Obligation arises (*e.g.*, a Vesting Date) or as soon thereafter as practicable. Participant will be responsible for all brokers' fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent the proceeds of such sale exceed the Tax Withholding Obligation, the Company agrees to pay such excess in cash to Participant. Participant acknowledges that the Company is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the Tax Withholding Obligation. Accordingly, Participant agrees to pay to the Company or any of its Subsidiaries as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the sale of Shares described above.

(iii) *By Check, Wire Transfer or Other Means*. At any time not less than five (5) business days (or such fewer number of days as determined by the Committee or its designee) before any Tax Withholding Obligation arises (*e.g.*, a Vesting Date), Participant may request permission to satisfy the Tax Withholding Obligation by check, wire transfer or other means, by submitting such request, in writing, to the Company. Alternatively, the Company may require that Participant satisfy any Tax Withholding Obligation in any such manner. If the Company approves Participant's request, or so requires, within five (5) business days of the relevant Vesting Date (or such fewer number of days as determined by the Committee or its designee) Participant must deliver to the Company the amount that the Company determines is sufficient to satisfy the Tax Withholding Obligation by (x) wire transfer to such account as the Company may direct, (y) delivery of a certified check payable to the Company, or (z) such other means as specified from time to time by the Committee or its designee.

7. Successors. This Agreement shall (a) inure to the benefit of, and be enforceable by, the Company's successors and assigns, and (b) be binding on Participant's executors, administrators, heirs and successors, in the event that Participant dies and Section 2 of this Agreement applies. Nothing contained in the Plan, the Notice of Award or this Agreement shall be interpreted as imposing any liability on the Company or the Committee in favor of Participant or any purchaser or other transferee of Units or Shares with respect to any loss, cost or expense which such Participant, purchaser or other transferee may incur in connection with, or arising out of any transaction involving, any Units or Shares subject to the Plan, the Notice of Award or this Agreement.

8. No Compensation Deferrals. This Agreement, the Notice of Award and the Plan are intended to be exempt from or to comply with Section 409A ("Section 409A") of the United States Internal Revenue Code of 1986, as amended, and shall be administered and construed in accordance with such intent. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, unilaterally to amend or modify, or to take any other actions, as the Committee determines are necessary or appropriate with respect to, the Plan, the Notice of Award and/or this Agreement to ensure that no awards (including, without limitation, the Units) become subject to the requirements of Section 409A, provided, however, that the Company makes no representation that the Units are not subject to Section 409A nor makes any undertaking to preclude Section 409A from applying to the Units. In furtherance, and not in limitation, of the foregoing: (a) in no event may

Participant designate, directly or indirectly, the calendar year of any payment to be made hereunder; and (b) notwithstanding any other provision of this Agreement to the contrary, a termination of Service hereunder shall mean and be interpreted consistent with a "separation from service" within the meaning of Section 409A with respect to any payment hereunder that constitutes a "deferral of compensation" under Section 409A that becomes due on account of such separation from service. Nothing in this Agreement, the Plan or the Notice of Award shall be interpreted or construed to transfer any liability for any tax (including a tax or penalty due as a result of a failure to comply with Section 409A) from Participant to the Company or to any other individual or entity.

9. Integration. The terms of the Plan, the Notice of Award and this Agreement are intended by the Company and Participant to be the final expression of their agreement with respect to Units and may not be contradicted by evidence of any prior or contemporaneous agreement. The Company and Participant further intend that the Plan, the Notice of Award and this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any arbitration, judicial, administrative or other legal proceeding involving the Plan, the Notice of Award or this Agreement. Accordingly, the Plan, the Notice of Award and this Agreement contain the entire understanding between the parties and supersede all prior oral, written and implied agreements, understandings, commitments and practices among the parties.

10. Waivers. Any failure to enforce any terms or conditions of the Plan, the Notice of Award or this Agreement by the Company or by Participant shall not be deemed a waiver of that term or condition, nor shall any waiver or relinquishment of any right or power for all or any other times.

11. Severability of Provisions. If any provision of the Plan, the Notice of Award or this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision thereof; and the Plan, the Notice of Award and this Agreement shall be construed and enforced as if none of them included such provision.

12. Committee Decisions Conclusive. This Agreement and the Notice of Award are administered and interpreted by the Committee and the Committee has full and exclusive discretion to interpret and administer this Agreement and the Notice of Award. All actions, interpretations and decisions of the Committee are conclusive and binding on all persons, and will be given the maximum possible deference allowed by law.

13. Mandatory Direct Discussion, Mediation, and Arbitration. To the extent permitted by law, any claim, disagreement, or dispute arising out of or relating to the Plan, the Notice of Award, and/or this Agreement, including the meaning or interpretation thereof (a "Dispute"), shall be resolved solely and exclusively by direct discussion and mandatory mediation followed, if necessary, by final and binding arbitration in accordance with the terms and procedures specified in this Section 13. These terms and procedures apply solely to the resolution of a Dispute as defined in this Agreement. Any other claim, issue, or complaint raised by Participant who is subject to the Franklin Templeton Alternative Dispute Resolution Policy and Agreement or such other alternative dispute resolution provision that is set forth in a separate written agreement with the Company or any affiliate thereof (collectively, the "ADR Agreement"), which claims, issues or complaints are not covered by this Agreement will be resolved according to the terms and procedures of the ADR Agreement. With regard to any Dispute as defined in this Agreement, if there is a difference between the terms or procedures defined in the ADR Agreement, and the terms and procedures defined in this Agreement, this Agreement's terms and procedures shall control. Participant and the Company specifically agree to waive the right to pursue any Dispute before a court or jury.

(a) Direct Discussion. Upon written notice of any Dispute, Participant and the Company (each referred to as a "party" and together as the "parties") shall first attempt to resolve the Dispute by direct discussion.

(b) Mediation. If a Dispute is not resolved by direct discussion then either party may request mediation of the Dispute by sending a written notice requesting mediation to the other party.

The parties will mutually agree to the selection of a mediator, whose compensation will be borne by the Company.

(c) Arbitration. If a Dispute is not resolved by direct discussion and mandatory mediation, then either party may request final and binding arbitration of the Dispute by sending a written notice requesting arbitration to the other party. The Dispute will be heard by a single arbitrator unless, within 45 days of receiving the initial written demand for arbitration, either party elects by written notice to the other party for the arbitration to be heard by a panel of three arbitrators. If a single arbitrator is used, the parties will mutually agree to the selection of the arbitrator. If either party elects for the arbitration to be heard by a panel of three arbitrators, each party will select one arbitrator, and the arbitrators selected by the parties will, within a reasonable period of time, then appoint a third arbitrator to serve as chair of the panel.

The arbitration will be conducted in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA") as amended and effective November 1, 2009 (the "AAA Rules") but without necessarily retaining AAA or any other third party to administer the arbitration. The parties will determine whether a third-party administration service is necessary and, if jointly deemed necessary, agree to a mutually acceptable arbitration administration service, whether AAA or otherwise, within 45 days of receipt of the initial written demand for arbitration. If the parties do not agree about whether a third party is needed to administer the arbitration, or if the parties cannot reach agreement as to which administration service to use within 45 days, any arbitration will be administered by AAA. The location for the arbitration shall be in the county or comparable jurisdiction of Participant's Service. Judgment on the award rendered may be entered in any court having jurisdiction.

The Company will pay all of the costs of arbitration that are attributable to the employer pursuant to the AAA Rules, unless applicable law requires the Company to pay a greater share or all of the costs. In addition, if a single arbitrator is used, or if the Company elects for the arbitration to be heard by a panel of three arbitrators, the compensation and expenses of the arbitrator(s) will be paid by the Company. If Participant elects for the arbitration to be heard by a panel of three arbitrators, Participant will be responsible for paying one-half of the arbitrators' compensation and expenses.

All statutes of limitation that would otherwise be applicable shall apply to any arbitration proceeding under this Section. To the extent permitted by law, Participant waives the right to participate in a class, representative or collective action, as a class representative, class member, as an opt-in party, or private attorney general or join or consolidate claims with claims of any other person or entity, with respect to any Dispute, whether before a court or jury or in arbitration. Nothing in this Agreement, however, is intended or understood to limit, contradict, or preclude the rights reserved by law for Participant to initiate any administrative claim, or to excuse Participant from bringing an administrative claim before any agency in order to fulfill any obligation by Participant to exhaust administrative remedies. The provisions of this Section are intended by Participant and the Company to be exclusive for all purposes and applicable to any and all Disputes.

Except as otherwise provided in this Agreement, or as otherwise mutually agreed by the parties, the arbitrator(s) will conduct the arbitration pursuant to the AAA Rules, the U.S. Federal Arbitration Act, 9 U.S.C. section 1, et seq., and the U.S. Federal Rules of Evidence. The arbitrator(s) shall have jurisdiction and authority only to award Participant an amount equal to or less than the amount of the Award challenged in the Dispute, subject to the same terms and conditions as the Notice of Award in Dispute, and shall not have jurisdiction or authority to make any other award of any type, including, without limitation, punitive damages, unforeseeable economic damages, damages for pain, suffering or emotional distress, or any other kind or form of damages (the "Arbitrator Authority"). Thus, the arbitrator(s) shall not have jurisdiction or authority to grant preliminary or final injunctive relief or specific performance. The remedy, if any, awarded by the arbitrator(s) within the Arbitrator Authority shall be the sole and exclusive remedy for any Dispute that is subject to arbitration under this Section.

If Participant is an Associated Person employed by a Member Firm (as each such term is defined by the rules of the Financial Industry Regulatory Authority ("FINRA")), nothing in this Agreement prohibits or restricts Participant or the Member Firm from filing an arbitration claim involving a Dispute in the FINRA arbitration forum as specified in FINRA rules. In such a case, the parties each reserve the right to elect to have the arbitration heard by a panel of three arbitrators regardless of the dollar amount of the claim. The parties further agree that the authority of the arbitrator(s) in any FINRA arbitration of a Dispute is limited to the Arbitrator Authority defined above. Unless otherwise mutually agreed by the parties, the arbitrator(s) will conduct the arbitration pursuant to the FINRA Code of Arbitration Procedure for Industry Disputes (the "FINRA Code") and the Federal Rules of Evidence. All fees, costs, and expenses of FINRA arbitration, whether a single arbitrator or a panel of arbitrators is selected, including any hearing session fees, arbitration fees, surcharges, and filing fees, will be allocated as specified in the FINRA Code.

14. Delaware Law. The Plan, the Notice of Award and this Agreement are governed by, and all Disputes arising under or in connection with the Plan, the Notice of Award and this Agreement shall be resolved in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules, to the extent not pre-empted by the federal laws of the United States of America.

15. Country Appendices. If Participant relocates to a country outside the United States: (i) any special terms and conditions that may apply to Units granted to Participants in such country under Appendices to this Agreement will apply to Participant; or (ii) if the Company has not previously granted Restricted Stock Units to employees or Consultants in such country, any other special terms and conditions will apply to Participant, in each case to the extent the Company determines that the application of such terms and conditions is necessary or advisable to comply with local law or facilitate the administration of the Plan, and provided the imposition of the term or condition will not result in any adverse accounting expense with respect to the Units (unless the Company specifically determines to incur such expense).

16. Forfeiture.

(a) Forfeiture Pursuant to Restatement of Financial Results. Notwithstanding anything in the Award to the contrary, in the event that (i) the Company issues a restatement of financial results to correct a material error; (ii) the Committee determines, in good faith, that fraud or willful misconduct by Participant was a significant contributing factor to the need to issue such restatement; and (iii) some or all of the Units that were granted and/or Shares and/or other property earned prior to such restatement by Participant would not have been granted and/or earned, as applicable, based upon the restated financial results, Participant shall immediately return to the Company all Shares and other property received with respect to those Units, including any cash dividends paid with respect to the Units or such Shares, any pre-tax- income derived from ownership and any gross proceeds from disposition of such Shares and property, that would not have been granted and/or earned based upon the restated financial results (the "Repayment Obligation"), and all such Units (whether or not vested) shall immediately be forfeited. The Company shall be able to enforce the Repayment Obligation by all legal means available, including, without limitation, by withholding such amount from other sums and property owed by the Company to Participant.

(b) Forfeiture Pursuant to Fraud or Breach of Securities Law. Notwithstanding anything in the Award to the contrary, in the event that Participant:

(i) is convicted by any court for fraud;

(ii) is finally adjudicated by any court or is otherwise finally determined by a Regulatory Agency to be in violation of any Securities Law where the violation related to a period of time during which Participant was an employee or Consultant; or

(iii) enters into a settlement agreement with a Regulatory Agency, with or without admission of any liability, in relation to or in connection with an allegation concerning a violation of any Securities Law by Participant where the violation or alleged violation related to a period of time

during which Participant was an employee or Consultant, and the terms of the settlement agreement result in (x) Participant making, or being required to make, payment of any penalty or a payment in lieu of any penalty or redress in respect of such violation, or alleged violation; (y) the publication of any statement of reprimand or censure; or (z) Participant suffering any other penalty including (without limitation) suspension or termination of Participant's status for the purposes of any Securities Law, all of Participant's Units that have not vested shall immediately be forfeited without any payment to Participant therefor. Any Units so forfeited shall be cancelled.

Notwithstanding the foregoing, the Committee may determine, in its sole discretion, that only a portion of Participant's Units specified by the Committee (or no Units) shall be forfeited.

For the purposes of this Section 16(b), the following words shall have the following meanings:

"Regulatory Agency" shall mean in any jurisdiction any department of government, independent agency, authority appointed by statute or by government in connection with the supervision and/or enforcement of any Securities Law including, but not limited to, the U.S. Securities and Exchange Commission;

"Securities Law" shall mean any enactment, law, statute, rule, requirement or regulation in any jurisdiction relating to Securities that is or was applicable to the Company or that is or was applicable to Participant; and

"Securities" shall mean any shares, bonds, derivatives or other financial instruments or financial assets or any interest therein.

(c) Other Repayment/Forfeiture. Any benefits Participant may receive hereunder shall be subject to repayment or forfeiture as may be required to comply with (i) any applicable listing standards of a national securities exchange adopted in accordance with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder, (ii) similar laws, and implementing rules and regulations, of the European Union (as implemented by its member states and by the European Securities and Markets Authority) and of any other jurisdiction and (iii) any policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to Participant.

END OF AGREEMENT

EXHIBIT A
TO
FRANKLIN RESOURCES, INC.
AWARD AGREEMENT

RESTRICTIVE COVENANTS

This **Exhibit A** to the Agreement shall apply if so indicated in the Notice of Award.

1. Confidentiality.

(a) Confidential Information Obligations and Restrictions. Participant shall keep confidential and, except as the Company may otherwise consent to in writing, shall not divulge, communicate, disclose, or use to the detriment of the Company Group or for the benefit of any other person or persons, misuse in any way, or make any use of, except for the benefit of the Company Group, at any time either between the Award Date and the applicable Vesting Date or at any time thereafter, any Confidential Information (as defined below). Participant shall not disclose, deliver, reproduce, or in any way allow any such Confidential Information to be disclosed, delivered to or used by any third parties without the specific direction or consent of a duly authorized representative of the Company, except in connection with the discharge of Participant's duties. Any Confidential Information now or hereafter acquired by Participant with respect to the business of the Company Group shall be deemed a valuable, special and unique asset of the Company Group that is received by Participant in confidence and as a fiduciary, and Participant shall remain a fiduciary to the Company with respect to all of such information. Notwithstanding anything to the contrary herein, Participant shall not have any obligation to keep confidential any information (and the term "Confidential Information" shall not be deemed to include any information) that (i) is generally available to the public through no fault or wrongful act of Participant in breach of the terms hereof, (ii) is disseminated by the Company Group publicly without requiring confidentiality, (iii) is required by law or regulation to be disclosed by Participant, or (iv) is required to be disclosed by Participant to any Government Agency (as defined below) or person to whom disclosure is required by judicial or administrative process.

(b) Permissible Disclosure of Confidential Information.

(i) Participant Rights Protected. Nothing in this Agreement shall limit or interfere with Participant's right to file a charge or complaint with any Government Agency (as defined below) or ability, without notice to or authorization from the Company, to communicate with any Government Agency for the purpose of reporting a reasonable belief that a possible violation of law has occurred or may occur, or to participate, cooperate, provide information (including documents) or testify in any inquiry, investigation, proceeding or action that may be conducted by any Government Agency. Participant will not be held criminally or civilly liable under any U.S. federal or state trade secret law, including the Defend Trade Secrets Act of 2016 (as amended from time to time) (or applicable law in jurisdictions other than the U.S. that afford equivalent disclosure protections) for the disclosure of any Confidential Information or other trade secret that is made in confidence to a Government Agency (or, in jurisdictions other than the U.S., to equivalent governmental agencies) or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. Participant will also not be held criminally or civilly liable under any U.S. federal or state trade secret law (or applicable law in jurisdictions other than the U.S. that afford equivalent disclosure protections) for the disclosure of any Confidential Information or other trade secret that is made in a complaint or other document filed in a legal proceeding, if such filing is made under seal (or, in the case of jurisdictions other than the U.S., in any manner that has equivalent effect). If Participant files a claim against the Company or any member of the Company Group alleging that the Company (or any member

of the Company Group) retaliated against Participant for reporting a suspected violation of law, Participant may disclose the Confidential Information or other trade secret to Participant's attorney and use the Confidential Information or other trade secret information in such legal proceeding provided Participant (i) files any document containing the Confidential Information or other trade secret under seal and (ii) does not otherwise disclose the Confidential Information or other trade secret, except pursuant to an order issued by the tribunal with jurisdiction over Participant's claim.

(ii) Responding to Legal Process. Separately, to the extent Participant receives any subpoena, court order, or other legal process issued in any private litigation or arbitration regarding any matter or action involving the Company Group, then to the extent permitted by law or regulation, Participant shall, before providing any Confidential Information, give prompt prior written notice to the Company's General Counsel in order to provide the Company with a reasonable opportunity to take appropriate steps to protect its Confidential Information to the fullest extent possible.

2. Return of Confidential Material. Upon the completion or other termination of Participant's services for the Company Group, Participant shall promptly surrender and deliver to the Company all records, materials, equipment, drawings, documents, notes and books and data of any nature pertaining to any Confidential Information of the Company Group or to Participant's services, and Participant will not take any description containing or pertaining to any Confidential Information or data of the Company Group which Participant may produce or obtain during the course of Participant's services.

3. Non-Solicit; Non-Interference. Participant agrees that the Company Group has invested substantial time, effort and expense in compiling its Confidential Information, in assembling its present staff of personnel and in attracting and/or contracting with its current clients and customers and its prospective clients and customers. In consideration of the Company Group granting access to Confidential Information, and in order to protect both the confidentiality of Confidential Information and the Company Group's connections with staff, clients and customers and prospective clients and customers, Participant agrees that, subject to any applicable jurisdiction specific limitations set forth in Section 4(a) and 4(b) below, during Participant's Service and during the Restricted Period, Participant shall not:

(a) either on Participant's own account or in conjunction with or on behalf of any other person, directly or indirectly, solicit, approach, counsel, entice away or attempt to entice away any individual who during the Relevant Period is or was a Senior Employee of the Company Group in the Restricted Area to leave the employ of the Company Group, including by means of the supply of names or expressing views on qualifications or otherwise; or

(b) either on Participant's own account or in conjunction with or on behalf of any other person, solicit, approach, contact, or have business dealings with, directly or indirectly, any Restricted Person for the purpose of diverting the Restricted Person's account or other business relationship away from the Company Group; provided, that nothing contained in this Section 3(b) shall be deemed to prohibit Participant from seeking or doing any business which is not in direct or indirect competition with the business carried on by the Company Group.

4. Certain Limitations. If a court determines that a restriction set forth in Section 3(a) or 3(b) cannot be enforced as written because it is overbroad in part (such as time, scope of activity, or geography), the parties agree that a court shall enforce the restrictions to such lesser extent as is allowed by law and/or reform the overbroad part of the restriction to make it enforceable. If, despite the foregoing, any provision contained in this Exhibit A is determined to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect. In addition, the following provisions shall apply to limit, in whole or in part, the application of Section 3(a) and 3(b) of this Exhibit A during the Restricted Period only:

(a) **California**. For so long as Participant resides in California and California law controls, Section 3(a) shall be limited to solicitation by unlawful means, including use of Confidential Information, and Section 3(b) shall be limited to solicitation to the extent that Participant's solicitation involves use or disclosure of Confidential Information.

(b) **New York**. For so long as Participant resides in New York and New York law controls, Restricted Person as used in Section 3(b) shall not include a client or customer (person or entity) with whom Participant had a client relationship prior to Participant's Service with the Company Group.

5. Consideration. The Award shall be in consideration for Participant's execution of this Agreement and the covenants contained herein, which include the aforementioned restrictions and, in particular, the non-interference and non-solicit obligations set out in Section 3(a) and 3(b) of this Exhibit A.

6. Acceptance. Participant accepts that the restrictions contained in this Exhibit A are reasonable and necessary for the protection of the legitimate interests of the Company Group.

7. Award Agreement Restrictive Covenants. Participant expressly acknowledges that the restrictive covenants contained in this Exhibit A to the Award Agreement do not replace and/or supersede any other restrictive covenants agreed between Participant and the Employer. Restrictive covenants contained in Exhibit A are in addition to any other restrictive covenants agreed and may be enforced separately and independently.

8. Definitions. For purposes of this Exhibit A, the capitalized terms used above shall have the following meanings:

(a) "Company Group" means the Company and its Subsidiaries, partnerships, joint ventures and related and affiliated business entities.

(b) "Confidential Information" means information disclosed to Participant or known by Participant as a consequence of or through the unique position of Participant's Service with the Company or any of its Subsidiaries (including information conceived, originated, discovered or developed by Participant) prior to or after the Award Date, and not generally or publicly known, about the Company or its business, including, without limitation, data, information or other compilation of information of the Company Group relating to the products, processes, technical data, research and development, formulas, programs, test data, customer lists, investor lists, business plans, marketing plans, investment plans and strategies, pricing strategies or other subject matter pertaining to any business of the Company Group or any of its funds, clients, customers, consultants, licensees or affiliates, or private or otherwise protected data relating to employee applicants or employees of the Company Group, each as Participant may produce, obtain or otherwise learn of during the course of Participant's performance of services, including information expressly deemed to be confidential by the Company Group.

(c) "Government Agency" includes any U.S. or non-U.S. national, federal, provincial, regional, state, or local governmental agency, commission or legislative body, or self-regulatory organization, including, by way of representative example only, any securities and financial regulators or employment and labor regulators.

(d) "Relevant Period" means the 12-month period up to and including the date of Participant's termination of Service with the Company Group (or, where Participant is placed on garden leave, the 12-month period up to and including the date of the commencement of such period of garden leave).

(e) "Restricted Area" means those geographic regions or territories within any country or state in which any member of the Company Group operates where during the last two years

of Participant's Service with the Company Group, as applicable: (i) Participant is or was engaged to provide services or materially involved in providing services (including account management, both individually and with colleagues, and client services undertaken in locations outside Participant's place of work); and/or (ii) Participant has or had geographic responsibility.

(f) "Restricted Period" means the 12-month period after the date of Participant's termination of Service with the Company Group. The Restricted Period shall be reduced by any period spent on garden leave.

(g) "Restricted Person" means any person in the Restricted Area who was an investor or business partner, a client or customer, or prospective client or customer of the Company Group during the Relevant Period and with whom Participant had material business dealings during the Relevant Period.

(h) "Senior Employee" means any employee with whom Participant had material business dealings during the Relevant Period and who: (i) has direct business contact with clients or customers or prospective clients or customers as part of such employee's day to day work; or (ii) operates at a senior professional level or holds a management/executive role.

9. Survival. This Exhibit A shall survive the expiration or termination of Participant's Service and shall survive the expiration or termination of the Agreement.

EXHIBIT 21

FRANKLIN RESOURCES, INC.
LIST OF SUBSIDIARIES*
(as of September 30, 2023)

Name**	State or Jurisdiction of Incorporation or Organization
AdvisorEngine Inc.	Delaware
Benji Staking, LLC	Delaware
Brandywine Global Investment Management (Europe) Limited	United Kingdom
CCPF GP Holdco No.2 Limited	United Kingdom
CCPF No.2 (GP) Limited	United Kingdom
Clarion Partners (Deutschland) Europe GmbH	Germany
Clarion Partners EMEA Limited	United Kingdom
Clarion Partners Europe Limited	Jersey
Clarion Partners Europe (UK) Limited	United Kingdom
Clarion Partners Holdings LLC	Delaware
Clarion Partners, LLC	New York
Clarion Partners Securities, LLC	Delaware
Clarion REIM South America Holdings, LLC	Delaware
Clarion REIM South America Invsetimentos Imobiliarios Ltda	Brazil
ClearBridge Investments Limited	Australia
ClearBridge Investments (North America) Pty Limited	Australia
ClearBridge RARE Infrastructure International Pty Limited	Australia
CP Industrial Management, LLC	Delaware
CP Intermediate Holdco, Inc.	Delaware
Fiduciary International Holding, Inc.	New York
Fiduciary Trust Company International	New York
Fiduciary Trust Company International of Pennsylvania	Pennsylvania
Fiduciary Trust Company of Canada	Canada
Fiduciary Trust International, LLC	Delaware
Fiduciary Trust International of California	California
Fiduciary Trust International of Delaware	Delaware
Fiduciary Trust International of the South	Florida
Franklin Advisers GP, LLC	Delaware
Franklin Advisers, Inc.	California
Franklin Advisory Services, LLC	Delaware
Franklin Distributors, LLC	Delaware
Franklin Holdings, LLC	Delaware
Franklin Digital Lending GP, LLC	Delaware
Franklin Managed Options Strategies, LLC	Delaware
Franklin Mutual Advisers, LLC	Delaware
Franklin SystematiQ Advisers, LLC	Delaware
Franklin Templeton Alternative Investments (India) Private Limited	India
Franklin Templeton Asia Pacific Alternative Limited	Hong Kong
Franklin Templeton Asset Management (India) Private Limited	India
Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.	Malaysia

Name**	State or Jurisdiction of Incorporation or Organization
Franklin Templeton Asset Management Mexico, S.A. de C.V., Sociedad Operadora de Fondos de Inversion	Mexico
Franklin Templeton Austria GmbH	Austria
Franklin Templeton (Australia) Holdings Pty Ltd	Australia
Franklin Templeton Australia Limited	Australia
Franklin Templeton Blockchain Fund II GP, LLC	Cayman Islands
Franklin Templeton Blockchain GP, LLC	Delaware
Franklin Templeton Capital Holdings Private Limited	Singapore
Franklin Templeton Chile SpA. V.	Chile
Franklin Templeton Companies, LLC	Delaware
Franklin Templeton Fund Management Limited	United Kingdom
Franklin Templeton Global Investors Limited	United Kingdom
Franklin Templeton GSC Asset Management Sdn. Bhd.	Malaysia
Franklin Templeton Holding (Cayman) Ltd.	Cayman Islands
Franklin Templeton Holding Limited	Mauritius
Franklin Templeton International Services (India) Private Limited	India
Franklin Templeton International Services S.à r.l.	Luxembourg
Franklin Templeton Investímentos (Brasil) Ltda.	Brazil
Franklin Templeton Investment Advisors Korea Co., Ltd.	South Korea
Franklin Templeton Investment Management Limited	United Kingdom
Franklin Templeton Investment Services Mexico S. de R.L.	Mexico
Franklin Templeton Investments (Asia) Limited	Hong Kong
Franklin Templeton Investments Australia Limited	Australia
Franklin Templeton Investments Corp.	Canada
Franklin Templeton Investments (ME) Limited	U.A.E.
Franklin Templeton Investments Poland sp. z o.o.	Poland
Franklin Templeton Investments South Africa (Pty) Ltd	South Africa
Franklin Templeton Investor Services, LLC	Delaware
Franklin Templeton Luxembourg S.A.	Luxembourg
Franklin Templeton Magyarorszag Kft.	Hungary
Franklin Templeton Management Luxembourg S.A.	Luxembourg
Franklin Templeton Overseas Investment Fund Management (Shanghai) Co., Limited	China
Franklin Templeton Private Equity, LLC	Delaware
Franklin Templeton Private Fund Management (Shanghai) Co., Limited	China
Franklin Templeton Private Portfolio Group, LLC	Delaware
Franklin Templeton Services, LLC	Delaware
Franklin Templeton Services (India) Private Limited	India
Franklin Templeton Servicios de Consultoría México, S. de R.L. de C.V.	Mexico
Franklin Templeton Slovakia, s.r.o.	Slovakia
Franklin Templeton Social Infrastructure GP, S.à r.l.	Luxembourg
Franklin Templeton Strategic Investments Ltd.	Cayman Islands
Franklin Templeton Switzerland Ltd.	Switzerland
Franklin Templeton Trustee Services Private Limited	India
Franklin Templeton Turkey Advisory Services A.S.	Turkey
Franklin Templeton UK Property Limited	United Kingdom

Name**	State or Jurisdiction of Incorporation or Organization
Franklin Templeton Uruguay S.A.	Uruguay
Franklin Venture Partners, LLC	Delaware
Franklin Venture Partners (Talos Cayman GP), LLC	Delaware
FT FinTech Holdings, LLC	Delaware
FTC Investor Services Inc.	Canada
FTCI (Cayman) Ltd.	Cayman Islands
FTPE Advisers, LLC	Delaware
Goldberry Wealth GmbH	Germany
Legg Mason Australia Holdings Pty Limited	Australia
Legg Mason (Chile) Inversiones Holdings Limitada	Chile
Legg Mason & Co (UK) Limited	United Kingdom
Legg Mason & Co., LLC	Maryland
Legg Mason Holding (Switzerland) GmbH	Switzerland
Legg Mason, Inc.	Maryland
Legg Mason Investments (Europe) Limited	United Kingdom
Legg Mason Investment Funds Limited	United Kingdom
Legg Mason Investments (Switzerland) GmbH	Switzerland
Legg Mason Partners Fund Advisor, LLC	Delaware
Legg Mason Royce Holdings, LLC	Delaware
Lexington Partners L.P.	Delaware
LM (BVI) Limited	British Virgin Islands
LM Holdings Limited	United Kingdom
LM Holdings 2 Limited	United Kingdom
LM International Holding LP	Cayman Islands
Onsa Inc.	Delaware
O'Shaughnessy Asset Management, L.L.C.	Delaware
Random Forest Capital, LLC	California
RARE IP Trust	Australia
REDROSE Caesar S.à r.l.	Luxembourg
Royce & Associates GP, LLC	Delaware
Royce & Associates, LP	Delaware
Royce Fund Services, LLC	New York
Royce Management Company, LLC	Delaware
Templeton Asset Management Ltd.	Singapore
Templeton Asset Management (Poland) TFI S.A.	Poland
Templeton do Brasil Ltda.	Brazil
Templeton Global Advisors Limited	The Bahamas
Templeton Global Holdings Ltd.	The Bahamas
Templeton Hana Asset Management Co., Ltd.	South Korea
Templeton International, Inc.	Delaware
Templeton Investment Counsel, LLC	Delaware
Templeton Restructured Investments, L.L.C.	Delaware
Templeton Restructured Investments III, Ltd.	Cayman Islands
Templeton Restructured Investments IV, Ltd.	Cayman Islands
Templeton Turkey Fund GP Ltd.	Cayman Islands

Name**	State or Jurisdiction of Incorporation or Organization
Templeton Worldwide, Inc.	Delaware
Templeton/Franklin Investment Services, Inc.	Delaware
TSEMF III (Jersey) Limited	Jersey (Channel Islands)
TSEMF IV (Jersey) Limited	Jersey (Channel Islands)
Western Asset Management (Brazil) Holdings Limitada	Brazil
Western Asset Management (Cayman) Holdings Limited	Cayman Islands
Western Asset Management Company Distribuidora de Titulos e Valores Mobiliarios Limitada	Brazil
Western Asset Management Company Limited	United Kingdom
Western Asset Management Company, LLC	California
Western Asset Management Company Pte. Ltd.	Singapore
Western Asset Management Company Pty Ltd	Australia

* Certain subsidiaries have been omitted because, when considered in the aggregate, they do not constitute a significant subsidiary.

** Our subsidiaries currently do business principally under their respective corporate names except as follows:

- some of our subsidiaries may use the names Franklin Templeton, Franklin Templeton International and Templeton Worldwide;
- Fiduciary Trust Company of Canada may use the names Fiduciary Trust Canada and Franklin Templeton Multi-Asset Solutions in various Canadian jurisdictions;
- Franklin Templeton Investments Corp. may use the names Franklin Templeton Canada, Franklin Templeton Investments Canada, Franklin Bissett Investment Management, Franklin Templeton Investments and Franklin Templeton Institutional in various Canadian jurisdictions;
- Legg Mason, Inc. may use the name Legg Mason Global Asset Management; and
- Royce & Associates, LP may use the name Royce Investment Partners.

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-249350) and Form S-8 (Nos. 333-173905, 333-143402, 333-128691, 333-103869, 333-100801, 333-89517, 333-83377, 333-70035, 333-57682, 333-48171, 333-240145, 333-249336, 333-254488 and 333-261101) of Franklin Resources, Inc. of our report dated November 13, 2023 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Francisco, California
November 13, 2023

EXHIBIT 31.1

CERTIFICATION

I, Jennifer M. Johnson, certify that:

1. I have reviewed this annual report on Form 10-K of Franklin Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023

/s/ Jennifer M. Johnson

Jennifer M. Johnson
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Matthew Nicholls, certify that:

1. I have reviewed this annual report on Form 10-K of Franklin Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023

/s/ Matthew Nicholls

Matthew Nicholls

Executive Vice President, Chief Financial Officer and Chief Operating Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (FURNISHED HEREWITH)

I, Jennifer M. Johnson, President and Chief Executive Officer of Franklin Resources, Inc. (the "Company"), certify, as of the date hereof and solely for purposes of and pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Annual Report on Form 10-K of the Company for the fiscal year ended September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: November 13, 2023

/s/ Jennifer M. Johnson
Jennifer M. Johnson
President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (FURNISHED HEREWITH)

I, Matthew Nicholls, Executive Vice President, Chief Financial Officer and Chief Operating Officer of Franklin Resources, Inc. (the "Company"), certify, as of the date hereof and solely for purposes of and pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Annual Report on Form 10-K of the Company for the fiscal year ended September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Dated: November 13, 2023

/s/ MATTHEW NICHOLLS
Matthew Nicholls
Executive Vice President, Chief Financial Officer and Chief Operating Officer