

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

|  |                                   |   |                             |
|--|-----------------------------------|---|-----------------------------|
| <b>1</b> Issuer's name   |                                   | <b>2</b> Issuer's employer identification number (EIN)              |                             |
| Franklin Resources Inc.  |                                   | 13-2670991  |                             |
| <b>3</b> Name of contact for additional information  | <b>4</b> Telephone No. of contact | <b>5</b> Email address of contact                                   |                             |
| Lisa Cheng, VP of Corporate Tax  | 650.312.2374                      | lcheng@frk.com  |                             |
| <b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact |                                   | <b>7</b> City, town, or post office, state, and Zip code of contact |                             |
| 1 Franklin Parkway   |                                   | San Mateo, CA 94403   |                             |
| <b>8</b> Date of action  |                                   | <b>9</b> Classification and description                             |                             |
| July 25, 2013  |                                   | Three for one common stock split                                    |                             |
| <b>10</b> CUSIP number   | <b>11</b> Serial number(s)        | <b>12</b> Ticker symbol   | <b>13</b> Account number(s) |
| 354613101  |                                   | BEN   |                             |

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

**On July 25, 2013, Franklin Resources Inc completed a three-for-one stock split of its outstanding common stock. The stock split occurred in the form of a dividend of two shares of common stock for each share of common stock outstanding. The stock dividend was distributed on July 25, 2013 to shareholders of record as of July 12, 2013.**

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

**The stock split was a non-taxable transaction under Internal Revenue Code (IRC) Section 305(a) and accordingly a stockholder's basis shall be allocated under IRC Section 307(a). Under IRC Section 307(a) each shareholder will allocate the basis in a share owned prior to the stock split over that share and the two additional shares issued in the three-for-one stock split. As a result, a stockholder will multiply the basis in each share held before the stock split by 1/3 to determine the basis after the stock split in that share and the two additional shares distributed in the stock split. See example in #16 below.**

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

**A shareholder will multiply the basis in each share held before the stock split by 1/3 to determine the per share basis after the stock split in that share and the two additional shares distributed in the stock split.**

**Example:**  
**Before the stock split, a shareholder holds 100 shares of Franklin Resources Inc common stock with a basis of \$120 per share and \$12,000 in total.**  
**After the stock split, a shareholder holds 300 shares of Franklin Resources Inc common stock with a basis of \$40 per share and \$12,000 in total.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
IRC Section 305(a) and IRC Section 307(a).

Horizontal lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶  
No loss can be recognized in connection with the three-for-one stock split completed in the form of a stock dividend.

Horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

Horizontal lines for providing other information necessary for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ 7/25/13

Print your name ▶ Ken Lewis Title ▶ CFO

|                               |                            |                      |      |   |              |
|-------------------------------|----------------------------|----------------------|------|---|--------------|
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN         |
|                               | Firm's name ▶              |                      |      |   | Firm's EIN ▶ |
|                               | Firm's address ▶           |                      |      |   | Phone no.    |