
Distribution Reinvestment Plan Rules (DRP RULES)

Franklin Templeton Australia Limited

Table of contents

1.	Definitions	2
2.	Participation in the Plan	3
3.	Application to participate	4
4.	Variation or termination of participation	4
5.	Operation of the Plan	5
6.	Units issued or transferred under the Plan	6
7.	Plan statements	6
8.	Variation, suspension and termination of Plan	7
9.	Application and notices	7
10.	General	8
	Schedule 1	10
	Registered Managed Investment Schemes	10

Title	Distribution Reinvestment Plan Rules (DRP RULES)
Date	
Parties	Franklin Templeton Australia Limited (ABN 76 004 835 849 AFSL 240827) of Level 47/120 Collins Street MELBOURNE VIC 3000 (Franklin Templeton Australia)

Operative provisions

1. Definitions

In these Rules, unless the context otherwise requires:

ASX means ASX Limited ABN 98 008 624 691.

Board means the board of directors of the Responsible Entity.

Business Day means a day on which the Securities Exchange is open for trading.

Cboe means Cboe Australia Pty Ltd ACN 129 584 667.

Constitution means the constitution of a Fund as amended from time to time.

DRP Election Date means the last date for elections under the Plan.

Fund or **Funds** means, as the context requires, one or more of the registered managed investment schemes listed in Schedule 1.

Holding means a registered holding of Units.

Net Asset Value has the meaning given to that term in the Constitution of the relevant Fund.

Notice of Participation/Variation means an application to participate in the Plan, a notice to increase or decrease the number (as applicable) of Units in a Holding which are to be subject to the Plan or a notice to terminate a Unitholder's participation in the Plan in respect of any Holding in the form approved by the Responsible Entity from time to time.

Payment Date means the date determined by the Responsible Entity for the payment of a distribution by a Fund.

Plan means the distribution reinvestment plans for the Funds covered under these Rules as varied from time to time.

Plan Account means an account established and maintained under Clause 5.3 to 5.3(g).

Plan Units means, in respect of any Holding, the percentage or number (as applicable) of Units in that Holding participating in the Plan from time to time.

Price means the price at which Units will be issued or acquired under the Plan determined in accordance with Clause 5.4 to 5.4(b).

Record Date means any date and time specified by the Board for determining entitlements to a distribution paid by a Fund.

Responsible Entity means Franklin Templeton Australia Limited (ABN 76 004 835 849; AFSL 240827).

Securities Exchange means a financial market on which Units are traded operated by either the ASX or Cboe.

Unitholder means a registered holder of Units within the meaning of the Constitution of the relevant Fund.

Unit Registry means Link Market Services Limited

Units means units in the relevant Fund.

2. Participation in the Plan

General

2.1 Participation in the Plan:

- (a) is subject to these Rules;
- (b) is optional and is not transferable;
- (c) is open to each Unitholder unless excluded under these Rules; and
- (d) may be varied or terminated at any time in accordance with these Rules.

Eligibility to participate

2.2 A Unitholder may not participate in a Plan unless the Unitholder has a registered address on the Record Date in Australia or New Zealand. Holders whose registered address is outside Australia or New Zealand are not eligible to participate in a Plan where the Responsible Entity determines in its absolute discretion that the making of the offer or issue of Units to them under a Plan is unreasonable having regard to each of the following:

- (a) the number of Unitholders in the place where the registered address of the Unitholder is situated;
- (b) the number and value of the Units that may be issued to Unitholders in the relevant place; and
- (c) the cost of complying with legal requirements and the requirements of any regulatory authority applicable to the making of offers and the issue of Units in the relevant place.

Discretion to refuse or reduce participation

2.3 Notwithstanding Clause 2.2 to 2.2(c), if the Responsible Entity in its absolute discretion determines that the offer, issue or transfer of Units under the Plan to a Unitholder or the holding of those Units by that Unitholder may:

- (a) be in breach of the law of any place;
- (b) be in breach of a provision of the relevant Constitution;
- (c) prejudice the effective operation of that Plan; or
- (d) otherwise in the opinion of the Responsible Entity be undesirable or impractical, the Responsible Entity may in its absolute discretion:

- (i) refuse to accept, reduce or suspend the Unitholder's participation in that Plan; or
 - (ii) decline to issue or transfer any Units to that Unitholder under that Plan.
-

3. Application to participate

Notice of participation

3.1 An application to participate in a Plan must be made on a Notice of Participation/Variation or such other form as prescribed by the Responsible Entity from time to time. For listed units, an application must be made through the secure website of the Unit Registry. For unlisted units, an application must be made through a form which is available on request.

4.14.1(a) Commencement of participation

3.2 Subject to Clause 9.2 to 9.2(c)(ii), a Unitholder's participation in a Plan in respect of any Holding will commence following receipt by the Fund's unit registry of a duly completed and executed Notice of Participation/Variation in respect of that Holding.

4. Variation or termination of participation

Notice of variation or termination

4.1 A Unitholder may at any time give a Notice of Participation/Variation to the relevant unit registry in respect of any Holding:

- (a) to terminate the Unitholder's participation in the Plan in respect of that Holding,

provided that the Fund's unit registry receives a duly completed and executed Notice of Participation/Variation on or before the DRP Election Date, the alteration or termination will take effect for the most current distribution. Otherwise, the alteration or termination takes effect for the next distribution.

4.14.1(a) Termination of participation

4.2 If a Unitholder dies, participation in the relevant Plan in respect of all of that Unitholder's Units will be terminated upon receipt by the Responsible Entity of written notice of the death. If a Unitholder is declared bankrupt or is wound up, participation in the Plan in respect of all of that Unitholder's Units will be terminated upon receipt by the Responsible Entity of a notification of bankruptcy or winding up from the Unitholder or the Unitholder's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding up of one or more joint holders will not automatically terminate participation.

Reduction or termination of participation where no Notice of Participation/Variation is given

4.3 Where:

- (a) all of the Units in a Holding are participating in the Plan and the Unitholder disposes of some of those Units then, unless the Unitholder advises the Responsible Entity otherwise, the remaining Units in that Holding will continue to participate in the Plan;
- (b) a number of the Units in a Holding are participating in the Plan and the Unitholder disposes of some of those Units, then unless the Unitholder advises the Responsible Entity otherwise, the same number of Units (excluding the disposed number of Units) in a Holding (as applicable) will continue to participate in the Plan; and

- (c) a Unitholder disposes of all Units in a Holding without giving the relevant unit registry a Notice of Participation/Variation, the Unitholder will be deemed to have terminated participation in the Plan in respect of that Holding on the last date on which a Fund registered a transfer or instrument of disposal in relation to that Holding.
-

5. Operation of the Plan

Application of distributions

- 5.1 Each distribution which is payable to a Unitholder in respect of Plan Units and which is available for payment to the Unitholder will be applied by the Responsible Entity on the Unitholder's behalf in acquiring or subscribing for additional Units.

Issue or transfer of Units

- 5.2 The Responsible Entity in its absolute discretion will determine with respect to the operation of the Plan for any distribution whether to issue new Units or to cause the transfer of issued Units to a Unitholder, or to apply a combination of those alternatives, to satisfy the obligations of the Responsible Entity under these Rules. If the Responsible Entity determines to cause the transfer of Units to Unitholders, the Units to be transferred may be acquired in the market in such manner as the Responsible Entity considers appropriate, including by appointment of a nominee or trustee to acquire those Units on behalf of the Unitholder.

Plan Accounts

- 5.3 The Responsible Entity will establish and maintain a Plan Account for each Holding in respect of which there are Plan Units. The Funds will, in respect of each distribution payable in respect of each such Holding:
 - (a) determine the amount of the distribution payable in respect of the Plan Units in that Holding to be held to the credit of the Plan Account;
 - (b) determine the withholding payments, if any, deductible by the Responsible Entity in respect of the distribution payable on the Plan Units in that Holding, and any other sum a Fund is entitled to retain in respect of those Plan Units;
 - (c) determine the maximum whole number of additional Units which may be acquired under the Plan at the Price by dividing the amount standing to the credit of the relevant Plan Account by the Price and rounding down the resulting number to the nearest whole number;
 - (d) on behalf and in the name of the Unitholder in respect of the relevant Holding, subscribe for or cause the transfer of the number of additional Units determined under Clause 5.3(c) and debit the relevant Plan Account with the total of the subscription or acquisition price payable in respect of the additional Units issued or acquired;
 - (e) issue the Units or cause the Units to be transferred to the Unitholder in respect of the relevant Holding and add the number of Units issued or acquired to the total number of Units comprised in the relevant Holding;
 - (f) accrue any residual credit cash balance from the relevant Plan Account and such amount shall be carried forward and form part of the amount standing to the credit of the relevant Plan Account for future distributions;
 - (g) no interest will accrue to a Unitholder in relation to any credit balance retained in the relevant Plan Account; and

- (h) should the Unitholder cease to be a Unitholder, or elect to completely withdraw from participating in the Plan, then any residual cash balance from the relevant Plan Account will be paid to the Unitholder semi-annually.

Price

- 5.4 Units will be transferred or issued under the Plan at the Price, which will be:
 - (a) the ex-Distribution Net Asset Value per Unit on the date which is the end of each distribution period (generally 30 June or 31 December); or
 - (b) such other value as determined by the Responsible Entity from time to time.
 - 5.5 The Price will be determined by the Responsible Entity or some other person nominated by the Responsible Entity by reference to information the Responsible Entity approves for the purpose from time to time. Such determination by the Responsible Entity, or some other person nominated by the Responsible Entity, will be binding on all participating Unitholders.
-

6. Units issued or transferred under the Plan

Issues in accordance with the Plan

- 6.1 Units issued under a Plan will be issued in accordance with the relevant Constitution and, from the date of issue, will rank equally in all respects with existing Units.

Application for quotation

- 6.2 If Units are issued under a Plan in respect of Plan Units that are quoted on the Securities Exchange, the Responsible Entity will apply for such Units issued under the Plan to be quoted on the relevant Securities Exchange as soon as practicable after the date of issue.

Timing of issue or transfer

- 6.3 Units issued or acquired under a Plan will be issued or transferred on, or as soon as practicable after, the relevant Payment Date and will be registered on the register where the Unitholder's Holding of Units is currently registered.
-

7. Plan statements

On or as soon as practicable after each Payment Date, the Responsible Entity will send to each Unitholder in respect of a Holding participating in a Plan a statement setting out in respect of that Holding:

- (a) the number of Plan Units in that Holding as at the relevant Record Date;
- (b) the amount of the distribution payable to the Unitholder (less any amounts referred to in Clause 5.3(b)) in respect of those Plan Units;
- (c) the number of Units transferred or issued to the Unitholder under the relevant Plan and the Price of those Units;
- (d) the number of Units comprised in the Holding after issue or transfer of those additional Units; and
- (e) the amount of any cash accrued in the Plan Account which is available to be used to acquire Units in future distributions.

8. Variation, suspension and termination of Plan

Power to vary, suspend or terminate

- 8.1 A Plan may be varied, suspended or terminated by the Responsible Entity at any time. The variation, suspension or termination will take effect upon the date specified by the Responsible Entity.

Notice

- 8.2 The Responsible Entity may give such notice of any variation, suspension or termination of a Plan as it considers appropriate. A variation, suspension or termination of a Plan will not be invalidated by accidental omission to give notice of the variation, suspension or termination to a Unitholder or the non-receipt of any notice by any Unitholder and will not give rise to any liability on the part of, or right or action against, the Responsible Entity or the Fund.

Suspension

- 8.3 Any suspension of a Plan will continue until such time as the Responsible Entity resolves either to recommence or terminate the relevant Plan. If a Plan is recommenced then elections as to participation in respect of the previously suspended Plan will be valid and have full force and effect in accordance with these Rules for the purposes of that Plan.

Termination

- 8.4 Upon termination of a Plan, the Responsible Entity will forward to each Unitholder a statement of the Unitholder's Plan Account as at the date of termination. Where the Unitholder's Plan Account contains residual cash amounts, this will be paid to the Unitholder semi-annually.

No Liability

- 8.5 Any variation, suspension, recommencement or termination of a Plan will not give rise to any liability on the part of, or right of action against, the Responsible Entity nor its Board, officers, employees, representatives or agents.

9. Application and notices

Form

- 9.1 Applications and notices to the Responsible Entity must be in the form prescribed by the Responsible Entity from time to time (or in such other form as the Responsible Entity may accept). In relation to any applications or notices received by the Responsible Entity, the Responsible Entity may:
- (a) accept or reject that application or notice where not properly completed or signed; and
 - (b) correct any error in, or omission from, that application or notice, prior to acceptance of that application or notice.

Effective time

- 9.2 Applications and notices will be effective upon receipt by the Responsible Entity subject to:
- (a) these Rules;
 - (b) in the case of applications to participate, acceptance by the Responsible Entity; and

- (c) receipt of the application or notice by the Responsible Entity by 5:00 pm on the Business Day that:
 - (i) follows the relevant Record Date for determining entitlements to distributions; and
 - (ii) that the Responsible Entity has determined shall be the last day for submitting the Notice of Participation/Variation in respect of any Holding.
-

10. General

Commencement and implementation of the Plan

- 10.1 A Plan will commence on the date determined by the Responsible Entity. Subject to the relevant Constitution, the Responsible Entity may implement a Plan in such manner as the Responsible Entity thinks fit and may settle any difficulty which may arise either generally or in a particular case in connection with a Plan as the Responsible Entity thinks fit in its absolute discretion.

Problems and disputes

- 10.2 Without prejudice to the general powers of the Responsible Entity under the relevant Constitution and these Rules, the Responsible Entity may settle in such manner as the Responsible Entity thinks fit in its absolute discretion any problem or dispute which may arise in connection with, or by reason of, the operation of a Plan, whether generally or in relation to any Unitholder or Holding or any Units and the determination of the Responsible Entity will be conclusive and binding on all Unitholders and other persons to whom the determination relates.

Fund entitled to distributions

- 10.3 Any distribution payable on Plan Units which a Unitholder has nominated as participating in a Plan and which distribution the Responsible Entity is entitled or required to retain as a result of any lien or charge in favour of that Fund in accordance with the relevant Constitution or other requirement of law will not be available for the purpose of participating in the Plan.

Acknowledgements

- 10.4 In circumstances where a Unitholder has made an election to participate in a Plan, each Unitholder:
- (a) acknowledges that neither the Responsible Entity nor the Unit Registry for that Fund has provided it with investment, financial product, taxation or other advice concerning its decision to apply to participate in the Plan and that neither the Responsible Entity nor the Unit Registry has any obligation to provide such advice;
 - (b) acknowledges that the Responsible Entity may in its absolute discretion reject any Notice of Participation/Variation, without being bound to give any reason for doing so;
 - (c) warrants to the Responsible Entity that the offer, issue or transfer of the Units to the Unitholder will not breach any applicable law in a jurisdiction outside Australia; and
 - (d) acknowledges that neither the Responsible Entity nor the Unit Registry nor any of their respective officers or employees will be liable or responsible to any Unitholder for any loss or alleged loss or disadvantage suffered or incurred by a Unitholder as a result, directly or indirectly, of the establishment or operation of the Plan or

participation in the Plan or the value of Units issued or transferred under the Plan falling or for any losses incurred on sale of Units issued or transferred under the Plan.

Unitholders to be bound

10.5 Unitholders are at all times bound by:

- (a) these Rules; and
- (b) the Constitution of the relevant Fund as modified from time to time.

Costs

10.6 All administration costs of a Plan will be met by the Responsible Entity in its personal capacity or out of the Fund (as determined by the Responsible Entity from time to time). No brokerage, commission or other transaction costs will be payable by any Unitholder in respect of Units issued or acquired under the Plan and no stamp duty or other duties will, under present law, be payable by Unitholders in respect of Units issued or acquired under a Plan.

Taxation

10.7 The Responsible Entity takes no responsibility for the taxation liabilities of Unitholders participating in the Plan and as individual circumstances may vary considerably, Unitholders should obtain their own specific taxation advice with respect to a Plan.

Governing law

10.8 A Plan, its operation and these Rules will be governed by and construed in accordance with the laws of New South Wales, Australia.

Schedule 1

Registered Managed Investment Schemes

Fund Name	ARSN Code
Franklin Australian Absolute Return Bond Fund – Class A	601 662 631
Franklin Global Growth Fund – Class A	132 597 972