FRANKLIN TEMPLETON INVESTMENTS

Distribution Remuneration Structure

The Commission rates mentioned below are for the business to be mobilized during the period 01-Jan-2019 to 31-Mar-2019.

Fund Type, Fund Name, Plan	Category	Exit Load	Trail Applicable for T-30 & B-30 Day 1 onwards (p.a.)	Additional Trail for B-30 p.a. (applicable only for Year 1)	Total T30 payout in Year 1	Total B30 payout in Year 1 (D+E)
"A"	"B"	"C"	"D"	"E"	"F"	"G"
A - Equity Funds						
1) Templeton India Value Fund (TIVF)	Value Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
2) Franklin India Index Fund NSE Nifty Plan (FIIF)	Index-Nifty	1.00% within 30 days of allotment	0.50%	0.00%	0.50%	0.50%
3) Franklin India Equity Advantage Fund (FIEAF)	Large and Mid-Cap Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
4) Franklin India Smaller Companies Fund (FISCF)	Small-Cap Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
5) Templeton India Equity Income Fund (TIEIF)	Dividend Yield Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
6) Franklin India Bluechip Fund (FIBCF)	Large-Cap Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
7) Franklin India Prima Fund (FIPF)	Mid-Cap Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
8) Franklin India Equity Fund (FIPP)	Multi-Cap Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
9) Franklin India Technology Fund (FITF)	Thematic-Technology Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
10) Franklin India Opportunities Fund (FIOF)	Thematic-Special Situations Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
11) Franklin India Focused Equity Fund (FIFEF)	Focused Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
12) Franklin Asian Equity Fund (FAEF)	Thematic-Asian Equity Fund	1.00% within 3 years of allotment	1.25%	1.50%	1.25%	2.75%
13) Franklin Build India Fund (FBIF)	Thematic-Infrastructure Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
B - Section 80C Funds						
1) Franklin India Taxshield (FIT)	ELSS Fund	Nil	1.20%	1.50%	1.20%	2.70%
2) Franklin India Pension Plan (FIPEP)	Retirement Fund	3.00% if redeemed before age of 58 years,(subject to lock in period & target amount) Nil after age of 58 years	1.40%	0.00%	1.40%	1.40%
C - Hybrid Funds						
1) Franklin India Equity Hybrid Fund (FIEHF)	Aggressive Hybrid Fund	1.00% within one year of allotment	1.25%	1.50%	1.25%	2.75%
2) Franklin India Debt Hybrid Fund (FIDHF)	Conservative Hybrid Fund	1.00% within one year of allotment	1.40%	0.00%	1.40%	1.40%
3) Franklin India Equity Savings Fund (FIESF)	Equity Savings Fund	1.00% within one year of allotment	1.40%	0.90%	1.40%	2.30%
D - Fixed Income Funds						
1) Franklin India Dynamic Accrual Fund (FIDA)	Dynamic Bond Fund	3% within 12 months, 2.00% for > 12 months & within 24 months, 1.00% > 24 months & within 36 months ,0.50% for >36 months & within 48 months	1.10%	0.00%	1.10%	1.10%
2) Franklin India Floating Rate Fund (FIFRF)	Floater Fund	NIL	0.60%	0.00%	0.60%	0.60%
3) Franklin India Savings Fund (FISPF)	Money Market Fund	NIL	0.05%	0.00%	0.05%	0.05%
4) Franklin India Low Duration Fund (FILDF)	Low Duration Fund	0.50% within 3 months of allotment	0.40%	0.00%	0.40%	0.40%
5) Franklin India Corporate Debt Fund (FICDF)	Corporate Bond Fund	NIL	0.55%	0.00%	0.55%	0.55%
6) Franklin India Liquid Fund (FILF)	Liquid Fund	NIL	0.05%	0.00%	0.05%	0.05%
7) Franklin India Government Securities Fund (FIGSF)	Gilt Fund	NIL	1.05%	0.00%	1.05%	1.05%
8) Franklin India Short Term Income Plan (FISTIP)	Short Duration Fund	0.50% within 1 year of allotment	1.00%	0.00%	1.00%	1.00%
9) Franklin India Ultra Short Bond Fund - Super Institutional Plan (FIUBF)	Ultra Short Duration Fund	NIL	0.05%	0.00%	0.05%	0.05%
10) Franklin India Income Opportunities Fund (FIIOF)	Medium Duration Fund	3% within 12 months, 2.00% for > 12 months & within 18 months, 1.00% > 18 months but within 24 months.	1.05%	0.00%	1.05%	1.05%
11) Franklin India Credit Risk Fund (FICRF)	Credit Risk Fund	3% within 12 months, 2.00% for > 12 months & within 24 months, 1.00% > 24 months & within 36 months.	1.05%	0.00%	1.05%	1.05%
12) Franklin India Banking and PSU Debt Fund (FIBPDF)	Banking & PSU Fund	NIL	0.35%	0.00%	0.35%	0.35%
E - International Funds						
1) Franklin India Feeder - Franklin U S Opportunities Fund (FUSOF)	FOF-Overseas-US	1.00% within 3 years of allotment	1.30%	1.50%	1.30%	2.80%
2) Franklin India Feeder - Franklin European Growth Fund (FEGF)	FOF-Overseas-Europe	1.00% within 3 years of allotment	1.30%	1.50%	1.30%	2.80%
F - Fund of Funds						
1) Franklin India Life Stage Fund of Funds - 20's Plan (FILSF-20)	FOF-Domestic	1.00% within one year of allotment	1.10%	0.00%	1.10%	1.10%
2) Franklin India Life Stage Fund of Funds - 30's Plan (FILSF-30)	FOF-Domestic	0.75% within one year of allotment	1.10%	0.00%	1.10%	1.10%
3) Franklin India Life Stage Fund of Funds - 40's Plan (FILSF-40)	FOF-Domestic	0.75% within one year of allotment	1.10%	0.00%	1.10%	1.10%
4) Franklin India Life Stage Fund of Funds - 50's Plus Plan (FILSF-50)	FOF-Domestic	1.00% within one year of allotment	1.10%	0.00%	1.10%	1.10%
5) Franklin India Life Stage Fund Of Funds - 50's Plus Floating Rate Plan (FILSF-50+)	FOF-Domestic	1.00% within one year of allotment	0.50%	0.00%	0.50%	0.50%
6) Franklin India Dynamic P E Ratio Fund Of Funds (FIDPEF)	FOF-Domestic	1.00% within one year of allotment	1.40%	1.50%	1.40%	2.90%
7) Franklin India Multi - Asset Solution Fund (FIMAS)	FOF-Domestic	1.00% within 3 year of allotment	1.40%	1.50%	1.40%	2.90%

Note:-

1. Any distribution of Mutual Fund units of Franklin Templeton Mutual Fund (FTMF) by distributors empaneled with FTMF/Franklin Templeton Asset Management (India) Pvt. Ltd (FTAMIL or AMC)("Distributor/s") is on voluntary basis and by distributing the units, the distributor records its informed consent to comply with all the terms and conditions mentioned in this document as well as such other documents including empanelment form in connection with the distribution services provided to FTMF/FTAMIL.

2. FTAMIL reserves absolute right and authority to change the Distribution Remuneration Structure applicable to existing as well as future assets contributed by the Distributor under their respective ARN, at its sole discretion. Any such change in the Distribution Remuneration Structure will be intimated to the Distributor by telephone/email/post/courier /text messages or such other medium of communication as may be preferred by FTAMIL.

3. The computation of commission by FTMF's Registrar and Transfer Agent will be considered to be final.

Terms & Conditions:-

Effective form October 22, 2018, FTMF has adopted, the model of commission, as directed by SEBI through circular no. SEBI/HO/IMD/DF2/CIR/P/2018/137.

A. Applicability of T-30 and B-30 Cities for payment of Commission:

1. This Distribution Remuneration Structure is applicable for lump sum & SIP investments.

2. The T-30 and B-30 cities will be as per the PIN code list of cities provided by AMFI from time to time. This list shall be subject to the periodic announcements made by AMFI in this regard.

3. Investments by Non – Residential Indians (NRI) & other eligible Foreign investors will be considered as T – 30 business.

4. Effective from October 22, 2018, additional payout for B30 business, will be paid on a monthly basis, as trail commission, based on inflows from individual investors from B 30 cities. Investment by corporates and institutions from B 30 cities will no more be considered for additional payout for B30 business.

B.Recovery of Upfront Commission Paid (prior to October 22, 2018 ref. SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2018/137):

1. The upfront commission that is already paid to the Distributor will be recovered from the Distributor, if the investment for which such upfront commission was paid is redeemed /switched out to any other scheme or the Direct Plan before the completion of the Exit Load period as mentioned in the Scheme Information Document.

(i)The recovery will be made on a pro-rata basis, depending upon the number of days for which the investment has stayed invested in the fund before being redeemed / switched out.

(ii) Recovery of the upfront commission ("Recovery Amount") will be equal to **upfront commission paid x (No. of days for the Exit Load period – No. of days the monies have stayed in the funds) / (No. of days for the Exit Load period).**

(iii) For Additional Brokerage Structure applicable for investments Beyond Top 30 Cities, full recovery of the additional Commission paid will be done in case the Investor redeems / switches out to any other Scheme or the Direct Plan before the completion of one (1) year from the date of investment, irrespective of the Exit Load period applicable to the Fund.

(iv) Any redemption by virtue of Systematic Withdrawal Plan (SWP) registered on mobilization done will be subject to claw back as mentioned in paragraph B (iii).

2. In case of any upfront commission paid for Franklin India Government Securities Fund the recovery period shall be one year.

3. Recovery of the amount to be clawed back will be made from the Commission payable to the Distributor for the month in which redemption has been made. In case the Commission payable to the Distributor is less than the Recovery Amount, we will continue to recover from the Commission payable in subsequent months. In case the recovery is not complete in three (3) months, a demand notice will be sent to the Distributor asking him to refund the money to the AMC. In case the Distributor does not pay the money within one (1) month from the date of the receipt of the notice, the AMC will approach AMFI and / or may initiate legal action for resolution of the same.

C.Statutory / AMFI Driven Regulations:

1.The rate of Commission mentioned in this document is inclusive of Goods and Service Tax (GST) at applicable rates, if any. As per the GST law effective in India from 1st July 2017, Distributors whose turnover in a financial year exceeds the prescribed threshold limit, are liable to register themselves and charge GST at the rates applicable. Every distributor providing taxable supply (of goods and / or services) must issue a tax invoice, containing all the details prescribed under the GST law. Where the distributor fails to ensure prescribed compliance appropriately/timely under the GST Law or in case where his rating goes below the prescribed limit or fails to raise a tax invoice, GST would be recovered from the amount paid to the distributor along with any penalty/ interest on account of such failure. Further, vide notification no. 22/2018 – Central Tax (Rate) dated 6th August 2018, GST on commission payable to Distributors who are not required to be registered under the GST law is exempt up to 30 September 2019. For further clarification on applicability of GST, please consult your tax advisor.

2. In case any assets under your ARN Code are transferred to another Distributor at the request of the Investor, you shall not be entitled to receive any trail commission on such assets. Further, the payments of trail commission on assets that are transferred from another Distributor to your ARN Code shall be subject to us receiving a "Clearance Certificate" from the previous Distributor. Please contact your Franklin Templeton Relationship Manager for further details.

3.Any commission that is payable by the investor (if any) as per the SEBI (SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009) will be paid directly to the Distributor / Advisor by the investor based on his assessment of various factors including the service rendered by the Distributor / Advisor. Further, the Distributor / Advisor is required to disclose to customers all the commissions (in the form of trail commission or any other mode) received by him for different competing schemes of various mutual funds from amongst which the Scheme of Franklin Templeton Mutual Fund (FTMF) is being recommended to them.

4. The Distributor shall adhere to all applicable SEBI Regulations and more particularly SEBI circulars dated June 26, 2002 and August 27, 2009 on the Code of Conduct and other guidelines issued by AMFI from time to time for mutual fund distributors and ensure that (i) no rebate/ passback is given to investors in any form and (ii) do not split applications for any benefit.

5.The payment of Commission shall depend on the documentation completion status as per the empanelment form.

6. All ARN holders are required to comply with the norms related to Know Your Distributor (KYD) as per AMFI circular dated August 27, 2010. The payment of Commission shall be suspended till the Distributor complies with this requirement.

7.This Commission structure including the terms and conditions are subject to guidelines / circulars issued by SEBI/AMFI from time to time and may be revised at any time on account of any regulatory/statutory changes. Any revision to this Commission structure pursuant to regulatory/statutory changes will be communicated vide a revised Distribution Remuneration Structure which shall be effective from the date indicated in the said revised structure.

D. Important Definitions :

"Commission" shall mean any payment due from Fund/FTAMIL as distribution fees or other fees to the Distributor for valid transactions executed through the Distributor under the Distributor's ARN code and in respect of which final allotment of units has been made to the Customer.

"Distribution Remuneration Structure" shall mean the applicable fee/charges structure along with provisions for Commission, claw back and applicable taxes and deductions which shall from time to time be communicated to the Distributor through email/letters.

Please refer to the Fund's Scheme Information Document (SID) / Prospectus / Fund Factsheet for the minimum amounts for investments, exit loads and other statutory and fund related information.