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Contact - Susan Morgan – 617-797-0451

FRANKLIN RESOURCES SHAREHOLDERS TO VOTE ON GENOCIDE-FREE INVESTING PROPOSAL
Local and national human rights and religious groups issue open letter supporting shareholder proposal

SAN MATEO, CA – JANUARY 24, 2013 – According to a [filing](#) with the Securities and Exchange Commission, shareholders at Franklin Resources, known as Franklin Templeton Investments, will have an opportunity to vote on a shareholder proposal on genocide-free investing at the annual meeting on March 13, 2013. The proposal, which is the first shareholder proposal to appear on the company's proxy ballot in nineteen years and possibly the first ever, requests "that the Board institute transparent procedures to avoid holding or recommending investments in companies that, in management's judgment, substantially contribute to genocide or crimes against humanity, the most egregious violations of human rights." Franklin Resources is opposing the proposal.

Shareholders approved a similar genocide-free investing proposal at the ING Emerging Countries Fund in June 2012 by a wide margin with 59.2% of votes in favor of the proposal and only 10.8% opposed. According to a market [research study](#) conducted by [KRC Research](#) in 2010, 88% of Americans would like their mutual funds to be genocide-free. Further, a new US SIF report, "2012 [Report](#) on Sustainable and Responsible Investing Trends in the United States," supports the importance of Sudan-related investment policies as a key shareholder concern. Most strikingly, the report found that Sudan is the top ESG consideration for institutional investors.

Also today, 35 local and national human rights and religious groups joined by genocide and corporate governance scholars sent an open letter to Charles Johnson, Rupert Johnson and Gregory Johnson, senior executives of the company who collectively own 32% of outstanding shares. The letter was signed by local groups such as the Archdiocese of San Francisco, and the San Francisco Bay Area Darfur Coalition, as well as national groups such as American Jewish World Service, the Enough Project, the Armenian National Committee of America, the Unitarian Universalist Association and the Jewish Council of Public Affairs. It was also signed by notable genocide and corporate governance scholars.

The letter asks the company to voluntarily adopt the proposed genocide-free investing policy. It states, "We are concerned that management's opposition to the proposal, combined with the many institutional shareholders that will follow your recommendation, will dramatically skew the vote against the wishes of average investors. This concern is magnified by the fact that insider investors, particularly the Johnson family, hold very large percentages of the outstanding shares. Therefore we are appealing to you directly, in advance of the proxy vote, to institute transparent procedures to avoid holding investments in companies that, in management's judgment, substantially contribute to genocide or crimes against humanity, the most egregious violations of human rights as stated in the shareholder proposal."

The proposal was submitted to Franklin Resources as part of an ongoing shareholder action led by [Investors Against Genocide](#), a citizen-led initiative, dedicated to convincing mutual funds and other investment firms to make a commitment to genocide-free investing. Franklin Resources (NYSE:BEN) owned 1,479,642,253 shares of PetroChina, as of [December 2011](#). That holding amounted to 7% of the shares outstanding of PetroChina, a company widely recognized as contributing to the genocide in Sudan. Currently, half a million people in the South Kordofan and Blue Nile regions of Sudan are facing relentless aerial attacks, violent displacement, and starvation due to the Sudanese government's ongoing military assaults. Ongoing government-sponsored genocide in Sudan has spanned more than two decades and resulted in the death of over 2.5 million innocent civilians.

Support for the genocide-free investing proposal at the JPMorgan Chase vote in May 2012 increased compared to 2011 results with large institutional shareholders supporting the proposal including CalPERS, CalSTRS, Connecticut State Pension, Florida State Board of Administration, New York State Pension, NYCERS, Ohio State Teachers Retirement System, AFSCME, Christian Brothers Investment Services, and T. Rowe Price, among many others.

Investors Against Genocide withdrew its shareholder proposal at TIAA-CREF when it [adopted a public policy](#) against investments tied to genocide. TIAA-CREF subsequently divested holdings in oil companies helping to support the genocide in Darfur, Sudan. American Funds divested its holdings in PetroChina following a well-publicized shareholder vote on genocide-free investing.

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Investors Against Genocide is a citizen-led initiative, dedicated to convincing mutual funds and other investment firms to make an ongoing commitment to genocide-free investing. Investors Against Genocide works with individuals, financial firms, pension and endowment managers and government officials to encourage investment firms to change their investing strategy to avoid investments in companies that substantially contribute to genocide or crimes against humanity. Investors Against Genocide is staffed by volunteers and is a project of the Massachusetts Coalition to Save Darfur Inc., a 501(c)(3) non-profit charitable organization, incorporated in the state of Massachusetts. For more information, visit www.investorsagainstgenocide.org.

FULL TEXT OF LETTER

January 24, 2013

Charles B. Johnson
Chairman of the Board, Franklin Resources, Inc.

Rupert H. Johnson, Jr.
Vice Chairman, Franklin Resources, Inc.

Gregory E. Johnson
Chief Executive Officer and President, Franklin Resources, Inc.

Dear Sirs,

We, the undersigned local and national civil society groups joined by genocide and corporate governance scholars, ask that Franklin Resources, known as Franklin Templeton Investments, adopt a genocide-free investing policy.

Your website states, "At Franklin Templeton Investments, we believe that being a good corporate citizen is good business." It notes that the name of the firm was inspired by the ideas of Ben Franklin and quotes the Franklin motto, "Do well by doing good." It further states, "integrity, trust and responsibility are essential to our continued success as a premier global investment management organization."

We agree with these values, which is why we ask Franklin Templeton Investments to adopt a genocide-free investing policy as proposed on the proxy ballot for the 2013 annual meeting. Currently, your company is opposing the proposal, implying that it is important to the company to maintain its flexibility to invest in companies tied to genocide.

Research has shown that 88% of Americans do not want any financial ties to companies, such as PetroChina, which help to support the ongoing genocide in Sudan. This research was validated in the marketplace when shareholders approved the genocide-free investing proposal at the ING Emerging Countries Fund in June 2012 by a wide margin with 59.2% of votes in favor of the proposal and only 10.8% opposed. Given that your company's business is to serve individual investors, it is critically important that your investment policies reflect the broad-based desire of customers to avoid having their investments tied to genocide.

We are concerned that management's opposition to the proposal, combined with the many institutional shareholders that will follow your recommendation, will dramatically skew the vote against the wishes of average investors. This concern is magnified by the fact that insider investors, particularly the Johnson family, hold very large percentages of the outstanding shares. Therefore we are appealing to you directly, in advance of the proxy vote, to "institute transparent procedures to avoid holding investments in companies that, in management's judgment, substantially contribute to genocide or crimes against humanity, the most egregious violations of human rights," as stated in the shareholder proposal.

There is no compelling reason for investments tied to genocide. No fiduciary responsibility requires them and avoiding the very small number of problem companies need not affect financial returns. Thirty states, 61 colleges, T. Rowe Price, TIAA-CREF and American Funds have all taken steps to avoid investments tied to genocide.

If Franklin Templeton Investments truly believes that being a good corporate citizen is good business, please adopt a policy to avoid investments tied to genocide.

Sincerely,

American Friends Service Committee - U.S. West Region

Stephen McNeil, Assistant Director
San Francisco, CA, USA

American Jewish World Service

Ruth Messinger, President
New York, NY, USA

Archdiocese of San Francisco

George Wesolek, Director of Communications and Office of Public Policy & Social Concerns
San Francisco, CA, USA

Armenian National Committee of America

Aram Hamparian, Executive Director
Washington, DC, USA

Brooklyn Coalition for Darfur & Marginalized Sudan

Laura Limuli, Coordinator
Brooklyn, NY, USA

Church Alliance for a New Sudan, The Institute on Religion and Democracy

Faith J. H. McDonnell, Director
Washington, DC, USA

Darfur People's Association of New York

Ahmat Nour, President
Brooklyn, NY, USA

Darfurian Association of Greater Houston

Suliman Awadalla, Executive Director
Houston, TX, USA

Stephen Davis

Senior Fellow, Harvard Law School Program on Corporate Governance, Harvard University
Cambridge, MA, USA

Dear Sudan, Love Marin

Gerri Miller, Founder and Coordinator
Tiburon, CA, USA

Enough Project

John Bradshaw, Executive Director
Washington, DC, USA

Genocide No More

Marv Steinberg, Coordinator
Redding, CA, USA

Dr. Rick Halperin

Director, Embrey Human Rights Program, Southern Methodist University
Dallas, TX, USA

Idaho Darfur Coalition

A. J. Fay, Co-Founder
Boise, ID, USA

Investors Against Genocide

Eric Cohen, Chairperson
Boston, MA, USA

Jewish Council for Public Affairs

Rabbi Steve Gutow, President and CEO
New York, NY, USA

Jews Against Genocide

Eileen Weiss, Co-Founder
New York, NY, USA

Long Island Darfur Action Group

Nancy Walsh, Coordinator
Long Island, NY, USA

Massachusetts Coalition to Save Darfur

William Rosenfeld, Director
Boston, MA, USA

James McRitchie

Publisher, Corporate Governance
Elk Grove, CA, USA

My Sisters Keeper

Rev. Gloria White-Hammond, M.D., Executive Director
Boston, MA, USA

New York Coalition for Darfur and All Sudan

Neiki Ullah, Director of Communications and Advocacy
New York, NY, USA

Operation Broken Silence

Mark C. Hackett, CEO, Executive Director
Memphis, TN, USA

Pittsburgh Darfur Emergency Coalition

David Rosenberg, Coordinator
Pittsburgh, PA, USA

Hawa Abdallah Mohammed Salih

U.S. Department of State 2012 International Women of Courage Award Winner
Flemington, NJ, USA

San Antonio Coalition Against Genocide

Susan Smylie, Coordinator of Advocacy
San Antonio, TX, USA

San Francisco Bay Area Darfur Coalition

Mohamed Suleiman, President
San Francisco, CA, USA

Society for Threatened People

Sharon Silber, U.S Representative
New York, NY,

Stop Genocide Now

Gabriel Stauring, Director And Founder
Redondo Beach, CA, USA

Sudan Advocacy Action Forum

Dr. Eleanor Wright, Moderator
Birmingham, AL, USA

Tamil American Peace Initiative

Dhamy Rajendra, Executive Director
Mountain View, CA, USA

Dr. Samuel Totten

Professor Emeritus, University of Arkansas, Fayetteville, Author of Genocide by Attrition: Nuba Mountains, Sudan (Transaction, 2012)
Fayetteville, AR, USA

Hannibal Travis

Associate Professor of Law, Florida International University - College of Law
Miami, FL, USA

Unitarian Universalist Association

Timothy Brennan, Treasurer & CFO
Boston, MA, USA

United States Campaign for Burma

Jennifer Quigley, Executive Director
Washington, DC, USA