

**This circular is sent to you as an investor in Franklin Floating Rate Fund plc. It is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker, bank manager, solicitor, attorney or other professional adviser. If you have sold or otherwise transferred your holding in Franklin Floating Rate Fund plc, please send this circular (or, if applicable, a copy) and the accompanying letter of directions to the stockbroker, bank manager, or other agent through whom the sale was effected for transmission to the purchaser or transferee.**

**This circular has not been reviewed by the Central Bank of Ireland (the “Central Bank”) or the Securities and Futures Commission of Hong Kong (the “SFC”) and it is possible that changes hereto may be necessary to meet the requirements of the Central Bank. Any such changes will, where necessary, be notified to investors after the relevant prior approval from the Central Bank and the SFC is obtained. The Directors of Franklin Floating Rate Fund plc are of the opinion that there is nothing contained in this Circular nor in the proposals detailed herein that conflicts with the guidance notes issued by and regulations of the Central Bank and the SFC.**

27 November 2015

*To: Participants in the Franklin Floating Rate Fund plc (the “Company”)*

### **Circular for Annual General Meeting**

As an investor in the Company, you will be aware that, for administrative purposes, your shareholding is currently registered in the name of Templeton Global Advisors Limited (the “**Nominee**”).

Enclosed with this letter, you will find a notice of the Company’s Annual General Meeting (“**AGM**”) to be held at 4.00 p.m. (Irish time) on 14 January 2016, at J.P. Morgan, Newenham House, Northern Cross, Malahide Road, Dublin 17, Ireland.

As the beneficial owner of shares in the Company, you can, by completing the Letter of Directions to Participants attached, attend the AGM or instruct the Nominee to attend the AGM on your behalf and exercise your votes in a particular fashion.

In order to be effective, the completed Letter of Directions to Participants must be received by the Hong Kong Representative (Franklin Templeton Investments (Asia) Limited) at its office at 17/F, Chater House, 8 Connaught Road Central, Hong Kong, no later than 5:00 p.m. (Hong Kong time) on 7 January 2016.

### **Amendments to the Memorandum and Articles**

In addition to the regular business to be conducted at the AGM, the further purpose of the AGM is to seek approval by way of special resolution for the amendments to be made to the Memorandum and Articles of Association of the Company, in accordance with the Companies Act 2014.

Accordingly, we, on behalf of the Directors of the Company (the “**Directors**”), are writing to you as an investor of the Company to seek your approval of the proposed amendments to the Memorandum and Articles. A blackline of the proposed amended Memorandum and Articles of the Company, for which we are seeking your approval, is attached as Appendix I hereof.

The Directors consider the proposed changes to the Memorandum and Articles to be in the best interests of the Company and the investors as a whole and recommend that you approve the proposals described above by completing the attached Letter of Directions.

Subject to your approval, the effective date of the changes to the Memorandum and Articles is 14 January 2016.

### **Notification in relation to International Tax Agreements and Reporting of Investor Accounts**

#### **U.S. Foreign Account Tax Compliance Act (FATCA)<sup>1</sup>**

FATCA is a U.S. tax law which became effective as of 1 July 2014. FATCA requires financial institutions outside of the U.S. to identify specified U.S. persons, which include U.S. tax resident individuals and certain non U.S. entities with U.S. controlling persons. On 23 January 2013, Ireland entered into a model 1 Intergovernmental Agreement (IGA) with the U.S. for the implementation of FATCA in Ireland. Investors are hereby notified that details of specified U.S. persons' accounts in the Company will be reported on an annual basis to the Irish tax authorities, in accordance with Irish law, and details of these accounts will be automatically exchanged annually by them with the U.S. Internal Revenue Service, in accordance with the terms of the IGA.

#### **Automatic Exchange of Information<sup>2</sup>**

On 29 October 2014, Ireland signed the Multilateral Competent Authority Agreement (the "CAA") on the implementation of the Global Standard for the automatic exchange of financial account information. By signing the CAA, Ireland has agreed to implement regulations to enable the adoption of automatic exchange of information with all other CAA signatory countries (whenever they sign the CAA). The first exchange of information will take place in 2017, in relation to accounts held in the 2016 calendar year.

On 9 December 2014, the European Council adopted Directive 2014/107/EU amending Directive 2011/16/EU in relation to the administrative cooperation in the field of direct taxation. Directive 2011/16/EU now provides for the automatic exchange of account information between EU member states, with reporting commencing in 2017 in relation to accounts held in the 2016 calendar year.

Account holders are hereby notified that the Company is required under Irish law to report various details about accounts and account holders resident in EU member states or CAA signatory jurisdictions to the Irish Tax Authorities. They will share account data in accordance with Directive 2011/16/EU or the CAA with the tax authority of any other EU member state or CAA signatory jurisdiction where the account holder is tax resident.

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<sup>1</sup> This is a reminder of the Company's FATCA reporting obligations. Investors should refer to page 23 of the Hong Kong prospectus of the Company dated October 2015 (as amended) for more information on the FATCA requirements which apply to the Company.

<sup>2</sup> The information under this heading is only relevant to accounts and account holders resident in EU member states or CAA signatory jurisdictions.

### **Repeal of European Union Savings Directive<sup>3</sup>**

On 10th November 2015, the European Council of Finance Ministers passed a motion to repeal the European Union Savings Directive (EUSD). The repeal of the EUSD is a result of the European Directive 2014/107/EU above, which will require reporting of accounts held by residents of EU member states. Reporting under the EUSD by the Company will take place for the last time in 2016.

### **Annual Report and Audited Financial Statements**

The Annual Report and Audited Financial Statements of the Company for the accounting year ended 31 July 2015 is available (in English only) on the website of the Hong Kong Representative at [www.franklintempleton.com.hk](http://www.franklintempleton.com.hk). You may also obtain a hard copy of the Annual Report and Audited Financial Statements free of charge at the office of the Hong Kong Representative.

If you have any questions, please do not hesitate to contact your investment consultant or call our Investor Hotline at +852 2805 0111.

Thank you for your continuing support of Franklin Floating Rate Fund plc.

Yours faithfully,

For and on behalf of

**Franklin Templeton Investments (Asia) Limited**

富蘭克林鄧普頓投資(亞洲)有限公司



David Chang  
Director

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<sup>3</sup> The information under this heading is only relevant to accounts held by residents of EU member states.

**FRANKLIN FLOATING RATE FUND PUBLIC LIMITED COMPANY**

**(the “Company”)**

This document is important and requires your immediate attention. If you are in doubt as to the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser. If you have sold or transferred all of your shares in Franklin Floating Rate Fund plc please pass this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.

**This document has not been reviewed by the Central Bank of Ireland (the “Central Bank”) or the Securities and Futures Commission of Hong Kong (the “SFC”) and it is possible that changes thereto may be necessary to meet the requirements of the Central Bank. The Directors are of the opinion that there is nothing contained in this Circular nor in the proposals detailed herein that conflicts with the guidance notes issued by and regulations of the Central Bank and the SFC.**

*Registered Office*  
JP Morgan House  
International Financial Services Centre  
Dublin 1  
Ireland

**NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at J.P. Morgan, Newenham House, Northern Cross, Malahide Road, Dublin 17, Ireland on 14 January 2016, at 4.00 pm (Irish time) for the transaction of the following business:

Ordinary Business:

1. To read the Notice convening the meeting;
2. To receive the Directors’ Report and the Audited Accounts for the period ended 31 July 2015 together with the Auditors’ Report thereon; and
3. To note the re-appointment of PricewaterhouseCoopers, Chartered Accountants, as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company and to note the authorisation of the Directors to agree to the remuneration of the auditors.

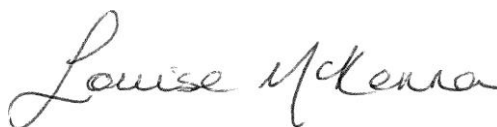
Special Business:

1. To approve that the Memorandum and Articles of the Company be amended as more particularly set out in the Circular to investors dated 27 November 2015, subject to the incorporation of any further amendments as may be required by the Central Bank, the Irish Stock Exchange and/or any Director of the Company.

**Dated 27 November 2015**

*For and on behalf of*

**J.P. Morgan Administration Services (Ireland) Limited**



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*Company Secretary*

Note: A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.

**ANNUAL GENERAL MEETING OF  
FRANKLIN FLOATING RATE FUND PLC**

**LETTER OF DIRECTIONS TO PARTICIPANTS**

To: Templeton Global Advisors Limited (the "Nominee")

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IF PARTICIPANT NAME AND ADDRESS NOT SHOWN, PLEASE COMPLETE IN BLOCK CAPITALS.

JOINT PARTICIPANTS, PLEASE SEE NOTE 1.

With reference to the Annual General Meeting of Franklin Floating Rate Fund plc to be held on 14 January 2016 at 4.00 pm (Irish time) at J.P. Morgan, Newenham House, Northern Cross, Malahide Road, Dublin 17, Ireland and at any adjournments thereof.

PLEASE DELETE EITHER (a) or (b)

(a) I/we wish to attend the above meeting and I/we hereby request you to appoint me/us as your proxy in respect of the Shares owned by me/us to enable me/us to attend and on a poll, to vote at the meeting.

OR

(b) I/we hereby advise you that as a participant in the Franklin Floating Rate Fund plc, I/we wish you to attend the meeting on my/our behalf and I/we wish the votes attached to the Shares owned by me/us to be exercised on the resolutions to be put to the meeting as indicated by a cross in the appropriate box below either for or against each resolution.

Ordinary Resolution	In Favour	Abstain	Against
1) To receive the Directors' Report and the Audited Accounts for period ended 31 July 2015 together with the Auditors' Report thereon.			
2) To note the re-appointment of PricewaterhouseCoopers, Chartered Accountants, as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company and to note the authorisation of the Directors to agree to the remuneration of the auditors.			
Special Resolution			
1) To approve that the Memorandum and Articles of the Company be amended as more particularly set out in the Circular to investors dated 27 November 2015, subject to the incorporation of any further amendments as may be required by the Central Bank, the Irish Stock Exchange and/or any Director of the Company.			

Signed.....

Dated .....

Notes:

1. In the case of joint participants, this Letter of Directions must be signed by them all although only the name standing first in the Nominee's records should be stated in block capitals.
2. To be effective, this Letter of Directions must reach the office of the Hong Kong Representative (Franklin Templeton Investments (Asia) Limited) at 17/F, Chater House, 8 Connaught Road Central, Hong Kong, no later than 5:00 p.m. (Hong Kong time) on 7 January 2016. The Letter of Directions may also be returned by fax (fax no. +353 1 845 8634) for the attention of Ms Mika Campbell not less than 48 hours before the commencement of the AGM or any adjourned AGM thereof.
3. If you select option (a), arrangements will be made for you to attend the Annual General Meeting as a proxy of the Nominee and an attendance card will be sent to you.