

FUNDSMITH EMERGING EQUITIES TRUST PLC

ANTI-BRIBERY AND CORRUPTION POLICY

FUNDSMITH EMERGING EQUITIES TRUST PLC
ANTI-BRIBERY AND CORRUPTION POLICY

1. BACKGROUND

Bribery is the giving or receiving of gifts, money, hospitality or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith. The purpose of this policy is to set out the rules that must be followed to ensure that no bribery occurs by persons who perform or will perform services for or on behalf of Fundsmith Emerging Equities Trust plc (the "**Company**").

The Bribery Act 2010 contains two general offences covering the offering, promising or giving of a bribe and the requesting, agreeing to receive or accepting of a bribe. It also sets out two further offences which specifically address commercial bribery. The first relates to the bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business. The second creates a form of corporate liability which an organisation can commit by failing to prevent bribery by any of its employees, subsidiaries, agents or service providers or other associated persons (defined as a person who "performs services" for or on behalf of an organisation , which may include employees, contractors, agents, service providers and subsidiaries).

The Bribery Act 2010 has a very wide territorial scope. The general bribery offences apply to acts of bribery committed anywhere in the world by companies incorporated in the United Kingdom as well as individuals who are British citizens or ordinarily resident in the United Kingdom.

Remember:

- a bribe does not have to be cash. It can be any non-cash benefit such as the offer of tickets to a sporting event or the use of holiday accommodation;
- facilitation or "grease payments" (unofficial payments made to secure or speed up routine actions, often by public officials, which may arise, for example, when travelling to certain countries) are prohibited under the Bribery Act;
- the person who receives the bribe is as guilty as the person who offers it even if it is unsolicited;
- the bribe will still be an offence under UK law if it is committed overseas, irrespective of whether it would be illegal under local law; and
- a bribe is a criminal offence.

2. POLICY

The Board of the Company has adopted a zero-tolerance approach to instances of bribery and corruption. Accordingly, it expressly prohibits any Director or associated persons when acting on behalf of the Company, accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for

themselves or for the Company.

The Directors of the Company recognise their responsibilities in ensuring that the Company has a robust policy to avoid such practices and to ensure compliance with its legal obligations. The Board insists that it is informed immediately of any identified instances of bribery or corruption within any of its principal service providers, and that a report detailing any identified instances of bribery or corruption and details of the corrective courses of action taken, are provided for its review on an annual basis. In addition, where possible, our service provider agreements include contractual provisions relating to anti-bribery and corruption legislation and related policies and procedures.

As part of a risk based approach, the Board will carry out an annual risk assessment on matters relating to bribery, involving due diligence enquiries in respect of persons who perform or will perform services for or on behalf of the Company, in order to mitigate identified risks. Due diligence records will be kept and be made available for inspection by the statutory auditor.

The provision and receipt of gifts and hospitality occurs very infrequently in the ordinary course of our business. We note, however, the following internal measures which have been implemented in order to avoid any unnecessary risk in this area:

Gifts, Hospitality and Entertainment Policy

The Company prohibits the use of Company and/or personal funds for any unlawful, improper or unethical purpose. You may not authorise, promise, give or accept an advantage/payment/gift/benefit that does not comply with this policy for purposes connected with the Company's business.

It is not intended that this policy prohibits genuine hospitality or similar business expenditure that is reasonable and proportionate to the Company's business. You can, in most circumstances, continue to accept for example, tickets to sporting events, invitations to dinner, courtesy gifts (nominal in value) or pay for reasonable travel and accommodation expenses connected to relevant events or Company business.

The Company prohibits any expenditure that is excessive and is not reasonable and proportionate to its business and in accordance with the arrangements set out in this policy. Expenditure may be deemed excessive if it exceeds the limits set out in this policy and such expenditure is subject to prior approval by the Chairman or Senior Independent Director.

'Gifts, hospitality and entertainment' can cover a broad range of activities, including:

- Dinners and corporate entertainment
- Payment for accommodation and transport
- Invites for spouses to accompany directors
- Corporate gifts
- Charitable and political donations

The Company's policy in this respect requires that:

- all gifts and benefits given to or received from any party must be reasonable in the circumstances of the relationship in question;
- the giving or receiving of any excessive gifts or benefits is strictly prohibited;

- gifts must not be given to or accepted from politically exposed persons, such as government officials or representatives or politicians or political parties, without the prior approval of the Chairman or the Senior Independent Director; and
- the giving of the gifts and benefits in question complies with local law.

The Company's procedures in relation to gifts and benefits require that:

- any individual gift or benefit offered or received by any one person with a value in excess of **£150** must be recorded in writing and provided to the Company Secretary in a timely manner following offer or receipt. The information provided should be sufficient to allow the gifts and hospitality register to be completed;
- any individual gift or benefit to be offered or received by any one person with a value in excess of **£250** must first be recorded in writing and provided to the Company Secretary so that approval (from either the Chairman or the Senior Independent Director) can be obtained. In the event that the item is not approved, it must not be provided or accepted. The item will not be approved if the intended value is not reasonable in the context of the relationship in question; and
- any individual gift or benefit to be offered or received by any one person with a value which exceeds either the **£150 or £250** thresholds when aggregated with any previous individual gift(s) or benefit(s) offered or received by that person within the previous 12-month period must meet the notification or pre-clearance requirements outlined above. The notification must provide relevant details of all aggregated gifts or benefits.

Please note that the known (or reasonably ascertainable) value of, say, any event ticket will be relevant to the monetary thresholds above and must be obtained and provided to the Company Secretary; and

The Company Secretary will maintain records of all gifts and benefits reported and approved and also proposed gifts and benefits not approved, together with the supporting rationale.

If a Director has any query in relation to gifts and benefits, such as what the Company considers to be "reasonable" and "excessive" etc, please consult the Company Secretary. If ever in any doubt, pre-approval of a gift or benefit should be sought.

Record keeping

All records created further to these policies and procedures relating to inducements, gifts and benefits must be retained for 5 years from their creation.

This policy together with the register of gifts and benefits both given and received will be reviewed by the Company's Audit Committee on an annual basis.

3. PRINCIPAL SERVICE PROVIDERS

The Company's principal service providers as at the date of this policy are:

- 3.1** Fundsmith LLP – Investment Manager
- 3.2** Frostrow Capital LLP – Company Secretary
- 3.3** Northern Trust Global Services SE - Depositary
- 3.4** Link Asset Services - Registrars
- 3.5** Deloitte LLP – Auditor
- 3.6** Grant Thornton UK LLP – Tax Agents

4. MONITORING AND REVIEW

The Audit Committee will review this policy at least on an annual basis and will ensure that it is publicly available both on the Company's website and also in its Annual Report & Accounts (in summary form).

Any issues or concerns with the running of this policy or related matters should be immediately flagged to the Company Secretary (Email: info@frostrow.com) so that appropriate action may be taken.

5. TRAINING

Compliance with this Policy is mandatory and it is vital that all Directors know the rules and comply with them. The Company will provide appropriate training on the scope and application of the Policy as the Directors deem necessary or appropriate.

Date: 30 July 2020

Date of next review: 29 July 2021