

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains proposals relating to a Members' Voluntary Liquidation and an amendment of the investment policy of Fundsmith Emerging Equities Trust plc (the "Company"), on which Shareholders are being asked to vote. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under FSMA if you are taking advice in the United Kingdom or, if you are taking advice in another jurisdiction, from another appropriately authorised independent financial adviser. All Shareholders are advised to consult their professional advisers regarding their own tax position.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please forward this document, but not the accompanying personalised form of proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares in the Company, you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document has been prepared for the purposes of complying with English law and the Listing Rules and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside the United Kingdom. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

FUNDSMITH EMERGING EQUITIES TRUST PLC

(Registered in England and Wales under the Companies Act with company no. 08756681 as an investment company within the meaning of section 833 of the Companies Act)

RECOMMENDED PROPOSALS FOR THE MEMBERS' VOLUNTARY LIQUIDATION OF THE COMPANY AND FOR THE AMENDMENT OF THE COMPANY'S INVESTMENT POLICY

AND

NOTICE OF GENERAL MEETING

The Proposals described in this document are conditional on Shareholder approval which is being sought at the General Meeting referred to below.

This document should be read as a whole and in conjunction with the Form of Proxy. Your attention is drawn to the Letter from the Chairman of the Company set out in Part I of this document which contains the recommendation of the Directors that Shareholders should vote in favour of the Resolutions which are to be proposed at the General Meeting. Your attention is also drawn to the paragraph headed "Action to be taken" in Part I of this document.

Notice of a General Meeting of the Company, which is to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 12.00 p.m. on 11 November 2022, is set out at the end of this document.

Whether or not you intend to be present at the General Meeting, and in order to be valid, please complete the Form of Proxy enclosed with this document in accordance with the instructions printed on the Form of Proxy and return it to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom, as soon as possible and in any event so as to be received by no later than 12.00 p.m. on 9 November 2022 (or, in the case of an adjournment, by not later than 48 hours before the time fixed for the adjourned meeting) in order to be valid.

If you hold Ordinary Shares in CREST and you wish to appoint a proxy or proxies for the General Meeting or any adjournment(s) thereof by using the CREST electronic proxy appointment service, you may do so using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. CREST Members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available by logging in at www.euroclear.com). CREST personal members or other CREST Sponsored Members, and those CREST Members who have appointed a service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Proxies submitted via CREST (under ID RA10) must be sent as soon as possible and in any event so as to be received by no later than 12.00 p.m. on 9 November 2022 (or, in the case of an adjournment, by not later than 48 hours before the time fixed for the adjourned meeting) in order to be valid. Completion and return of the Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting at the General Meeting (or any adjournment thereof) should you so wish.

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EXPECTED TIMETABLE

2022

Publication of this circular and Forms of Proxy	11 October
Date from which it is advised that dealings in Ordinary Shares should only be for cash settlement and immediate delivery of documents of title	close of business on 9 November
Latest time and date for receipt of Forms of Proxy from Shareholders for use at the General Meeting	12.00 p.m. on 9 November
Latest time for delivery to Registrar of documents of title relating to dealings in Ordinary Shares subject to cash settlement	5.00 p.m. on 10 November
Close of the Register and Record Date for participation in the Members' Voluntary Liquidation	6.00 p.m. on 10 November
Suspension of Ordinary Shares from trading on the London Stock Exchange and suspension of listing on the Official List	7.30 a.m. on 11 November
General Meeting to approve the Proposals and, if approved, the appointment of the Joint Liquidators	12.00 p.m. on 11 November
Announcement of the result of the General Meeting	11 November
Cancellation of the listing of the Ordinary Shares on the Official List and cancellation of admission to trading of the Ordinary Shares on the Main Market	8.00 a.m. on 14 November
Expected date for payment of Initial Distribution*	on or about 18 December

** Actual date to be determined by the Joint Liquidators*

All references are to London time.

The dates and times set out in the expected timetable above may be adjusted by the Company, in which event details of the new dates and/or times will be notified to the FCA and the London Stock Exchange, and an announcement will be made through a Regulatory Information Service.

PART I – LETTER FROM THE CHAIRMAN

FUNDSMITH EMERGING EQUITIES TRUST PLC

(Registered in England and Wales under the Companies Act with company no. 08756681 as an investment company within the meaning of section 833 of the Companies Act)

Directors:

Martin Bralsford
Rachel De Gruchy
Prof. Heather McGregor
John Spencer

Registered Office:

33 Cavendish Square
London
W1G 0PW

11 October 2022

Dear Shareholder

Recommended Proposals for the Members' Voluntary Liquidation of the Company

1. INTRODUCTION

Further to the announcement on 14 September 2022, the Board is putting proposals forward for the Company to be placed into voluntary liquidation, with the cash proceeds arising on realisation of the portfolio returned to Shareholders. The Board believes that the proposals are in the best interests of Shareholders as a whole.

This document provides details of the Proposals, which are subject to Shareholder approval, and explains why your Board is recommending that you vote in favour of the Resolutions to be proposed at the General Meeting of the Company to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 12.00 p.m. on 11 November 2022. A Notice of the General Meeting is set out at the end of this document.

2. BACKGROUND TO THE PROPOSALS

Winding up

In September 2022 the Board announced that, following notification from Fundsmith LLP (the Investment Manager and AIFM of the Company) that it intended to give notice to terminate the Investment Management Agreement, proposals would be put forward for the Company to be placed into voluntary liquidation.

The Investment Manager advised the Board that, after 8 years' experience of the application of its investment philosophy in developing economies, it had concluded that the investment philosophy is unable to produce consistent outperformance relative to the emerging markets index. The Investment Manager believes that despite its ability to identify good companies in these markets – defined as those with strong and defensible market positions, with relatively predictable revenue, low capital intensity and high returns on capital, and that deliver their profit as cash which can be reinvested at good rates of return – the inherent value of the Portfolio is overwhelmed by volatile exchange rates, and country specific regulatory, political and economic developments.

As a result, the Investment Manager advised the Board that it had concluded that an emerging markets product deploying its investment philosophy is not capable of delivering the outcomes for investors that the Investment Manager has sought since the launch of the Company in 2014.

In the light of the Investment Manager's conclusion that it will not be able to deliver good customer outcomes, the Board took advice from the Company's corporate broker, Investec Bank PLC ("**Investec**"), and its legal advisers. It also instructed Investec and the Investment Manager to seek feedback from its largest Shareholders. On the basis of the advice and feedback received, the Board reached the conclusion that it would be in the best interests of Shareholders for the Company to be wound up and cash returned to Shareholders.

Amendment of the Company's investment policy

The Company's current investment policy envisages a Portfolio normally comprising 25 to 40 Investments. In addition, it contains a series of percentage restrictions relating to, amongst other matters, the value of the Company's gross assets which can be held in any single company or in any single jurisdiction. In the context of the Company entering into a Members' Voluntary Liquidation, and the expected distributions to be made during the course of the Members' Voluntary Liquidation (as to which see further below in Part 3), it is no longer considered appropriate that such expectations and restrictions should be applied to the Portfolio.

In addition, the existing investment policy prevents more than 20 per cent. of the Company's gross assets from being aggregated as cash deposits in a single bank account prior to distribution to Shareholders.

The Board considers that a new investment policy, with a focus on realising the Portfolio whilst seeking to comply with the conditions necessary to maintain the Company's investment trust status, is a more appropriate investment policy for the Company going forward.

Under the proposed new investment policy (set out in full in section 4 below), in order to manage the realisation of the Company's portfolio and the distribution of proceeds to Shareholders more efficiently, the Company's assets (including cash) may be held in a single bank or financial institution.

3. MEMBERS' VOLUNTARY LIQUIDATION

Distributions to Shareholders

The Proposals involve the Company being placed into Members' Voluntary Liquidation. If Resolution 1 is passed and the Joint Liquidators are appointed, the Joint Liquidators will wind up the Company in accordance with the Insolvency Act. It is currently expected that approximately 90 per cent. of the Portfolio (by value) will be realised, and converted into sterling, by 11 December 2022 (the "**Initial Realisation**"). The Joint Liquidators would expect to distribute around 99 per cent. of the proceeds of the Initial Realisation (holding back an amount to cover the costs of the Proposals and the amount attributable to the Liquidation Fund, described below), on or around 18 December 2022 to those Shareholders appearing on the Register as at the Record Date (the "**Initial Distribution**").

Following the Initial Realisation, it is expected that the remainder of the Portfolio, comprising the less liquid assets and amounting to approximately 10 per cent. of the Portfolio (by value) will be realised as soon as reasonably practicable (the "**Second Realisation**"). The Joint Liquidators would expect to make a second distribution to those Shareholders appearing on the Register as at the Record Date as soon as reasonably practicable after being notified by the Investment Manager that the Second Realisation has been completed (the "**Second Distribution**" and together with the Initial Distributions the "**Distributions**") subject to taking account of the level of funds available to be distributed and associated costs of distribution. It is currently expected that the Second Realisation will be completed and the Second Distribution will be made by 11 August 2023, being nine months from the expected date of appointment of the Joint Liquidators.

The Joint Liquidators and the Investment Manager will seek to ensure that the Company's tax status as an investment trust is maintained until the final dissolution of the Company, although this cannot be guaranteed.

The Board estimates that the costs and expenses of the Proposals will amount to approximately £1.27 million, which includes the fees of the Joint Liquidators and those of the Company's advisers in connection with the Members' Voluntary Liquidation (inclusive of VAT to the extent applicable). The Joint Liquidators will establish the Liquidation Fund to pay the Company's known and contingent liabilities (inclusive of VAT to the extent applicable), costs of liquidation not already paid at the point of the commencement of the liquidation, and £50,000 for unknown contingencies.

Once the Joint Liquidators have realised the Company's assets and made the Distributions, satisfied claims of creditors of the Company and paid the costs and expenses of the Members' Voluntary Liquidation, it is expected that the Joint Liquidators would make a final distribution to Shareholders according to their respective rights and interests in the Company. This final distribution, if any, will not be made until the Joint Liquidators have completed their statutory duties to seek out, adjudicate and pay creditors' claims and HMRC has confirmed its agreement to the Company's tax returns and it has no objection to the closure of the liquidation. The precise timing of this final distribution (if any) is uncertain and is likely to be of a nominal

amount per Ordinary Share, but it is expected to be paid within 12 months of the commencement of the Members' Voluntary Liquidation.

The Board has considered the fact that the distributions of any amount of less than £5.00 per Shareholder would be likely to be nullified by the administrative costs of making such distribution. Accordingly, the Board has resolved that any amount of less than £5.00 that would otherwise be paid to a Shareholder pursuant to a distribution from the members' voluntary liquidation of the Company will be donated to the Nominated Charity.

Shareholders who hold their Ordinary Shares in CREST will receive the Distributions through the CREST system. Shareholders who hold their Ordinary Shares in certificated form will be paid by way of cheques drawn upon a UK clearing bank posted to the registered addresses of such Shareholders as at the Record Date. Such payments will be made at the sole risk of the Shareholder concerned.

The Board

Upon the appointment of the Joint Liquidators, all powers of the Board will cease and the Joint Liquidators will be responsible for the affairs of the Company until it is wound up. The Joint Liquidators expect to terminate the appointment of the Directors immediately following the Joint Liquidators' appointment.

The Investment Manager

The Investment Manager has volunteered (and the Company has agreed) that no management fees will be payable to the Investment Manager by the Company with effect from the appointment of the Joint Liquidators.

The Investment Management Agreement will continue in effect in accordance with its terms until the date being twelve months from the appointment of the Joint Liquidators or the earlier dissolution of the Company.

Other service providers

The Joint Liquidators will retain the services of the Registrar and the Depositary until the final distribution has been paid. Other services providers may be retained subject to the Joint Liquidators deeming their retention to be an efficient use of the Company's resources and in the best interests of Shareholders.

4. CHANGE IN INVESTMENT POLICY

The Company's current investment policy, with the proposed changes highlighted, is set out in the appendix to this document. If the Proposals are approved by the passing of the Resolutions at the General Meeting, the investment policy of the Company will be as follows with effect from the passing of the Resolutions:

"Investment Policy of Fundsmith Emerging Equities Trust plc

The Company's policy is to seek to realise its portfolio of assets whilst seeking to comply at all times with the conditions necessary to maintain the Company's investment trust status.

Cash held at any time may be invested in:

- *cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or*
- *any "government and public securities" as defined for the purposes of the FCA rules.*

In general, the Company will not use portfolio management techniques such as interest rate hedging and credit default swaps. However, the Company may use currency hedging, through derivatives if necessary, as a portfolio management technique. Whilst the Company, generally, will not hedge its currency exposure, it does reserve the right to do so in the circumstances where, in the opinion of the Investment Manager, a significant depreciation of a currency has become likely but the Investment Manager continues owning the companies in the portfolio denominated in that currency and where the cost of hedging that currency is unlikely, in the opinion of the Investment Manager, to extinguish any gains from hedging."

5. SUSPENSION AND CANCELLATION OF THE COMPANY'S LISTING AND TRADING

The Register will be closed at 6.00 p.m. on 10 November 2022 and the Ordinary Shares will be disabled in CREST at the start of business on 11 November 2022. Application will be made to the FCA for suspension of listing of the Ordinary Shares on the Official List and application will be made to the London Stock Exchange for suspension of trading in the Ordinary Shares at 7.30 a.m. on 11 November 2022. The last day for dealings in the Ordinary Shares on the London Stock Exchange on a normal rolling two day settlement basis will be 9 November 2022.

After 9 November 2022, dealings should be for cash settlement only and will be registered in the normal way if the transfer, accompanied by the documents of title, is received by the Registrar by close of business on 10 November 2022. Transfers received after that time will be returned to the person lodging them and, if the Resolutions are passed, the original holder will receive any proceeds from distributions made by the Joint Liquidators.

The Company will also make an application for the cancellation of the admission of the Ordinary Shares to listing on the Official List and to trading on the Main Market, subject to the Resolutions being passed, with cancellation expected to take effect at 8.00 a.m. on 14 November 2022.

After the liquidation of the Company and the making of the final distribution to Shareholders (if any), existing certificates in respect of the Ordinary Shares will cease to be of value and any existing credit of the Ordinary Shares in any stock account in CREST will be redundant.

6. RISKS ASSOCIATED WITH THE PROPOSALS

Shareholders should note the following regarding the Members' Voluntary Liquidation:

- (a) the timings of distributions to Shareholders referred to in this document are indicative only, and distributions will be made solely at the discretion of the Joint Liquidators;
- (b) the amounts which may be owing to the creditors of the Company, or which the Joint Liquidators may choose to retain in respect of current and future, actual and contingent liabilities of the Company, and any unascertained liabilities, and the costs and expenses of the liquidation are uncertain and may affect the amount and timing of distributions to Shareholders;
- (c) the actual amount available for distribution to Shareholders will depend upon the realisation value of the Company's investments during the winding up process. The Company's assets may not be realised at their reported value or expected price;
- (d) if Resolution 1 is not passed, the Company will continue in its current form until other proposals can be put forward and it will have to bear the abortive costs of having proposed the Members' Voluntary Liquidation; in this event, there is a risk that liquidity in the Ordinary Shares will be reduced and that the Company's ongoing charges ratio would increase; and
- (e) the information in this document is based on current UK legislation and published HMRC practice, both of which are subject to change (possible with retrospective effect). Any change in the Company's tax status or in taxation legislation or HMRC practice could alter the post-tax returns to Shareholders.

Shareholders should note that the Company considers there to be no material risk associated with the proposed amendment of the Company's investment policy described in this Circular.

7. THE GENERAL MEETING

The Proposals are subject to Shareholder approval.

In accordance with section 84(1)(b) of the Insolvency Act, for the Company to be placed into the Members' Voluntary Liquidation, a special resolution is required which, in order to be passed, will require the approval of 75 per cent. or more of the votes cast in respect of the resolution at the General Meeting, whether in person or by proxy.

Although the Company's listing will be suspended with effect from the date of the General Meeting, the Company intends to voluntarily comply with the requirement under Listing Rule 5.4.8(2) that any material change to the Company's investment policy will require the prior approval of Shareholders. The Company

proposes that such approval be obtained by proposing an ordinary resolution which, in order to be passed, will require the approval of a simple majority of the votes cast in respect of the resolution at the General Meeting, whether in person or by proxy.

A Notice convening the General Meeting to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 12.00 p.m. on 11 November 2022 is set out at the end of this document. The Notice includes the full text of the Resolutions.

The quorum for the General Meeting will be two Shareholders present in person, by proxy, or by corporate representative and arrangements will be made by the Company to ensure that the minimum of two Shareholders required to form a quorum will attend the General Meeting in order that it may proceed and the business be concluded.

8. TAXATION

You are advised to read carefully Part II of this document (United Kingdom Taxation) which sets out a general guide to certain aspects of current UK taxation law and HMRC published practice.

If you are in any doubt as to your tax position, or if you may be subject to taxation in a jurisdiction other than the United Kingdom, you are advised to seek immediately your own personal tax advice from an independent professional adviser.

9. ACTION TO BE TAKEN

You will find enclosed with this Circular a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting in person, it is important that you complete and return as soon as possible the Form of Proxy in accordance with the instructions printed on it to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom, and in any event so as to arrive no later than 12.00 p.m. on 9 November 2022.

If you hold shares in CREST, in order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 12.00 p.m. on 9 November 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

Completion and return of the Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending the General Meeting in person, if you so wish and are entitled.

A shareholder helpline is available for Shareholders. If you have any questions about this document, the General Meeting or how to complete the Form of Proxy, please call Link Group, on 0371 664 0300 (calls to this number from the UK will be charged at the standard national rate plus network extras) or on +44 (0) 371 664 0300 from outside the UK (calls to this number from outside the UK will be charged at the applicable international rate). Link Group is open between 9.00 a.m. to 5.30 p.m. Monday to Friday (London time), excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide comments on the merits of the Resolutions or provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If you hold your shares via an investment platform (e.g. Hargreaves Lansdown) or a nominee, you should contact them to inquire about arrangements to vote.

10. CONSENT

The Investment Manager and Investec have each given and not withdrawn their written consent to the inclusion of the references to their respective names in this document in the form and context in which they are included.

The Joint Liquidators have each given and not withdrawn their written consent to the inclusion of the references to their respective names in this document in the form and context in which they are included.

11. RECOMMENDATION

The Board believes that approval of the Proposals is in the best interests of Shareholders as a whole and recommends that you vote in favour of the Resolutions.

Each Director who holds Ordinary Shares intends to vote in favour of the Proposals representing, in aggregate, approximately 0.43 per cent. of the total voting rights of the Company.

Partners and staff of the Investment Manager who hold Ordinary Shares intend to vote in favour of the Proposals representing, in aggregate, approximately 5.25 per cent. of the total voting rights of the Company.

Yours faithfully

Martin Bralsford

Chairman

PART II – UNITED KINGDOM TAXATION

The following paragraphs, which are intended as a general guide only, are not exhaustive, and do not constitute legal or tax advice, are based on current UK legislation and published HMRC practice, both of which are subject to change possibly with retrospective effect. They summarise certain limited aspects of the UK tax treatment of the cash distributions made to Shareholders in the course of the winding-up of the Company, and they relate only to the position of individual and corporate Shareholders who (i) are the absolute beneficial owners of their Ordinary Shares and any dividends paid; (ii) hold their Ordinary Shares as an investment (otherwise than through an individual savings account or a pension arrangement); (iii) (except in so far as express reference is made to the treatment of non-UK residents) who are resident (and, in the case of individuals, domiciled) solely in the UK for UK tax purposes; and (iv) in the case of individuals, who are not Scottish or Welsh taxpayers and to whom split-year treatment does not apply.

This summary does not constitute legal or tax advice. Shareholders are advised to take independent advice in relation to the tax implications of any matters set out in this document and to consult an appropriate professional tax adviser.

A Shareholder who receives a distribution of cash in the course of the winding-up of the Company should be treated as making a disposal or part disposal of their Ordinary Shares for the purposes of UK taxation of chargeable gains which may, depending on such Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

Any chargeable gain arising on a part disposal of a holding of Ordinary Shares will be computed on the basis of an apportionment of the allowable cost of the holding by reference to the market value of the holding at the time of the part disposal.

A Shareholder that is within the charge to UK corporation tax is normally taxable on all of its chargeable gains at the prevailing rate of corporation tax (19 per cent. for the 2022/23 tax year), subject to any available reliefs, exemptions and allowable losses.

Shareholders who are UK tax resident individuals are subject to UK capital gains tax on all of their chargeable gains, subject to any available reliefs, exemptions and allowable losses. Capital gains tax is currently charged at a rate of 20 per cent. for individuals who pay income tax at the higher or additional rates of tax, or at a rate of 10 per cent. for basic rate tax payers to the extent that the aggregate of their total taxable income and gains in that year is less than the upper limit of the basic rate income tax band. An individual may be entitled to an annual exemption (£12,300 for the tax year commencing on 6 April 2022 and ending on 5 April 2023).

Shareholders should be aware that HMRC can, in certain circumstances, counteract tax advantages arising from certain transactions in securities by (among other things) treating some or all of the proceeds of capital disposals as distributions of income. Generally speaking, these provisions should not apply where it can be shown that the transactions in question were entered into for genuine commercial reasons and did not involve as one of their main objects or purposes the obtaining of an income tax or corporation tax advantage. Shareholders are advised to take independent advice as to the potential application of these and other anti-avoidance provisions in the light of their own particular circumstances. Application has not been made to HMRC for clearance as to these matters.

Shareholders who are not resident in the UK (excluding, in the case of an individual Shareholder, Shareholders who are only temporarily non-resident in the UK, for whom there are special anti-avoidance rules that may apply) for UK tax purposes should not be subject to UK tax on chargeable gains on a disposal, or part disposal, of Ordinary Shares unless such Ordinary Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the UK through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment. Such Shareholders may be subject to foreign tax on any gain under local law.

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

AIFM	alternative investment fund manager
Board	the board of directors of the Company
Companies Act	Companies Act 2006
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
CREST Member	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
CREST Participant	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
CREST Sponsor	a CREST Participant admitted to CREST as a CREST sponsor
CREST Sponsored Member	a CREST Member admitted to CREST as a sponsored member
Depository	Northern Trust Investor Services Limited
Directors	the directors of the Company
Euroclear	Euroclear UK & International Limited
FCA	the Financial Conduct Authority or its successor from time to time
Form of Proxy	a form of proxy for use at the general meeting
FSMA	the Financial Services and Markets Act 2000, as amended
General Meeting	the General Meeting of Shareholders of the Company convened for 12.00 p.m. on 11 November 2022 at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL, notice of which is set out at the end of this document
HMRC	HM Revenue & Customs
Initial Distribution	has the meaning given to it in section 3 of the letter from the Chairman in Part II of this document
Insolvency Act	the Insolvency Act 1986 (as amended)
Investment Manager	Fundsmith LLP
Investment Management Agreement	the investment management agreement between the Company and the Investment Manager, originally dated 27 May 2014 and as amended from time to time
Joint Liquidators	the proposed joint liquidators of the Company, namely Richard Barker and Derek Hyslop of Ernst & Young LLP

Liquidation Fund	the cash to be retained by the Joint Liquidators to pay the Company's known and contingent liabilities, the VAT inclusive (if applicable) costs of the liquidation and an additional retention for known contingencies
Listing Rules	the listing rules made by the FCA in accordance with Part VI of FSMA (as these rules may be amended from time to time)
London Stock Exchange	London Stock Exchange plc
Main Market	London Stock Exchange's main market for listed securities
Members' Voluntary Liquidation	the proposed members' voluntary liquidation of the Company
Nominated Charity	Charity Projects, a registered charity in England and Wales (326568) and Scotland (SC039730), which is a company limited by guarantee registered in England and Wales (01806414)
Notice or Notice of General Meeting	the notice of general meeting set out at the end of this document
Official List	the Official List of the FCA
Ordinary Shares	ordinary shares of 1 penny each in the capital of the Company, and each an Ordinary Share
Portfolio	the Company's portfolio of investments from time to time
Proposals	the proposals for the Members' Voluntary Liquidation and amendment of the Company's investment policy, as described in more detail in the letter from the Chairman in Part I of this document
Record Date	6.00 p.m. on 10 November 2022
Register	the register of members of the Company
Registrar	Link Group of 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL
Resolution 1	the special resolution set out in the Notice of General Meeting to approve the Members' Voluntary Liquidation
Resolution 2	the ordinary resolution set out in the Notice of General Meeting to approve the amendment of the Company's investment policy
Resolutions	Resolution 1 and Resolution 2, together
Second Distribution	has the meaning given to it in section 3 of the letter from the Chairman in Part II of this document
Shareholders	holders of Ordinary Shares, and each a Shareholder
Sterling or £	pounds sterling, being the lawful currency of the UK
VAT	UK value added tax and/or any similar, replacement or additional tax (in the UK or any other jurisdiction)

APPENDIX

PROPOSED AMENDED INVESTMENT POLICY

If the proposed amendment to the investment policy is approved at the General Meeting by the passing of Resolution 2 then the full text of the amended investment policy will be amended as set out below.

“Investment Policy of Fundsmith Emerging Equities Trust plc

~~The Company maintains a portfolio diversified by issuer concentration and the Company’s portfolio will normally comprise 25 to 40 investments.~~

The Company’s policy is to seek to realise its portfolio of assets whilst seeking to comply at all times with the conditions necessary to maintain the Company’s investment trust status.

~~The Company complies with the following restrictions at the time each investment is made:~~

- ~~(i) not more than 5% of the Company’s gross assets can be invested in shares issued by any single company. This limit rises to 10% in respect of up to 40% of gross assets;~~
- ~~(ii) not more than 40% of the Company’s gross assets can be invested in shares issued by companies domiciled in any single jurisdiction. Where, as a result of investment performance, the total value of the companies in a particular jurisdiction exceeds 40% of gross assets, this restriction shall not apply to a portfolio rebalancing transaction (an investment funded from the proceeds of a disposal of shares in a company domiciled in the same jurisdiction, executed at the same time);~~
- ~~(iii) not more than 20% of the Company’s gross assets can be in deposits held with a single bank or financial institution. In applying this limit all uninvested cash (except cash representing distributable income or credited to a distribution account that the Depositary holds) should be included;~~
- ~~(iv) not more than 20% of the Company’s gross assets can consist of shares and approved money market instruments issued by the same group. When applying the limits set out in (i) this provision would allow the Company to invest not more than 5% in the shares of each of four group member companies, or 10% in two of them (if applying the 40% limit);~~
- ~~(v) the Company’s holdings in any combination of shares or deposits issued by a single company or fund must not exceed 20% of the Company’s gross assets overall;~~
- ~~(vi) the Company must not acquire shares issued by a company and carrying rights to vote at a general meeting of that company if the Company has the power to influence significantly the conduct of business of that company (or would be able to do so after the acquisition of the shares). The Company is to be taken to have power to influence significantly if it exercises or controls the exercise of 20% or more of the voting rights in that company; and~~
- ~~(vii) the Company must not acquire shares which do not carry a right to vote on any matter at a general meeting of the company that issued them and represent more than 10% of these securities issued by that company.~~

~~Uninvested cash or surplus capital or assets~~ Cash held at any time may be invested on a temporary basis in:

- cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a single-A (or equivalent) or higher credit rating as determined by an internationally recognised rating agency; or
- any “government and public securities” as defined for the purposes of the FCA rules.

In general, the Company will not use portfolio management techniques such as interest rate hedging and credit default swaps. However, the Company may use currency hedging, through derivatives if necessary, as a portfolio management technique. Whilst the Company, generally, will not hedge its currency exposure, it does reserve the right to do so in the circumstances where, in the opinion of the Investment Manager, a significant depreciation of a currency has become likely but the Investment Manager ~~wishes to continue~~ continues owning the companies in the portfolio denominated in that currency and where the cost of hedging that currency is unlikely, in the opinion of the Investment Manager, to extinguish any gains from hedging.”.

FUNDSMITH EMERGING EQUITIES TRUST PLC

(Registered in England and Wales under the Companies Act with company no. 08756681 as an investment company within the meaning of section 833 of the Companies Act)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Fundsmith Emerging Equities Trust plc (the “**Company**”) will be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 12.00 p.m. on 11 November 2022 for the purpose of considering and, if thought fit, passing the following Resolutions. Resolution 1 will be proposed as a special resolution and Resolution 2 will be proposed as an ordinary resolution.

1. **THAT:**

- (a) the Company be and is hereby wound up voluntarily pursuant to section 84(1)(b) of the Insolvency Act 1986, and that Richard Barker and Derek Hyslop of Ernst & Young LLP, having consented to act, be and are hereby appointed as Joint Liquidators with the power to act jointly and severally for the purposes of such winding up including realising and distributing the Company’s assets and any power conferred on them by law or by this resolution;
- (b) the remuneration of the Joint Liquidators be determined by reference to the time properly given by them and their staff in attending to matters prior to and during the winding up of the Company and they be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine and to pay any expenses properly incurred by them; and
- (c) the Company’s books and records be held by the Fundsmith LLP to the order of the Joint Liquidators until the expiry of twelve (12) months after the date of dissolution of the Company, when they may be disposed of.

2. **THAT** the amended investment policy as set out in the circular of the Company dated 11 October 2022 of which this Notice forms part (the “**Circular**”) be and is hereby approved and adopted to the exclusion of the Company’s current investment policy with immediate effect.

Save where the context requires otherwise, the definitions contained in the Circular shall have the same meanings where used in this Notice of General Meeting.

Registered Office:
33 Cavendish Square
London
W1G 0PW

By order of the Board

Frostrow Capital LLP
Secretary

Registered in England and Wales, No. 08756681

11 October 2022

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice.
2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
3. To be valid any Form of Proxy or other instrument appointing a proxy must be completed and signed and received by post or (during normal business hours only) by hand at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom no later than 12.00 p.m. on 9 November 2022.
4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a Shareholder attending the meeting and voting in person if he/she wishes to do so.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
7. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders of the Company.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only Shareholders registered on the Register at close of business on 9 November 2022 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.
9. As at 10 October 2022 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 26,640,056 ordinary shares, carrying one vote each. The Company has 351,773 ordinary shares in treasury. Therefore, the total number of voting rights in the Company as at 10 October 2022 is 26,288,283.
10. CREST Members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST Members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting

service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register in respect of the joint holding (the first named being the most senior).
15. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
16. Members who have appointed a proxy using the hard-copy Form of Proxy and who wish to change the instructions using another hard-copy form, should contact Link Group on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09.00 – 17.30, Monday to Friday excluding public holidays in England and Wales.
17. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
18. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, United Kingdom.
19. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments (see above) then, subject to paragraph 4, the proxy appointment will remain valid.