

European Assets Trust PLC

THIS DOCUMENT IS IMPORTANT AND REQUIRES
YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer, so they can pass these documents to the purchaser or transferee.

European Assets Trust PLC
(the Company)

SCRIP DIVIDEND SCHEME
(the Scheme)

Registered Office:
Exchange House
Primrose Street
London EC2A 2NY
Registered in England No. 11672363

Dear shareholder,

The Company is offering ordinary shareholders the opportunity to elect, in respect of all or part of your holdings of ordinary shares, to receive any future interim or final dividends, in the form of fully paid ordinary shares in the Company (New Shares) instead of cash.

Scrip dividends are attractive to many shareholders because they enable shareholders to increase their holding in the Company without incurring dealing costs or stamp duty. The Company also derives an advantage through the retention of cash, thereby reducing interest costs.

Further details of the Scheme and the procedure to be followed are set out below. Whether or not you should elect to receive New Shares instead of cash dividends may depend upon your own tax circumstances. Section II sets out some of the points you should consider. If, after reading the notes in the following Sections, you are in any doubt about what course of action to take, you should consult an independent financial adviser. Please also bear in mind that the price of European Asset Trust PLC's shares can go down as well as up.

The attention of shareholders not resident in the United Kingdom is drawn to question 10 of Section I.

Shareholders who wish to receive the scrip dividend alternative should complete the Mandate Form which accompanies this circular and return it to the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, so as to be received by the Registrar not later than 5.00 p.m. on the date which is 15 working days before the dividend payment date to be eligible for that dividend. Forms received after that will be applied in time for the next dividend. You can also apply online at www.investorcentre.co.uk.

You may cancel the mandate at any time by writing to the Company's Registrar. For a cancellation to be effective for a dividend, it must be received at least 15 working days before the payment date for that dividend. If it is received within 15 working days of a payment date, it will not apply to the first dividend but it will apply to all subsequent dividends. You can also cancel the mandate online at www.investorcentre.co.uk.

If you wish to receive dividends in cash in the usual way you need take no action and may disregard this circular.

Completion of allotments under the scrip dividend Scheme is subject to several conditions, namely, admission of the New Shares to the Official List of the United Kingdom Listing Authority (the UKLA) and to trading on the London Stock Exchange plc (the London Stock Exchange), the existence of authority under section 570 of the Companies Act 2006 to allot securities as if section 561(1) of the Companies Act 2006 did not apply and the existence of authority to allot securities pursuant to section 551 of the Companies Act 2006. If any of these conditions are not met, the scrip dividend Scheme will be cancelled and dividends will be paid in cash to all shareholders.

Applications will be made for the New Shares to be admitted to the Official List of the UKLA and to trading on the London Stock Exchange. On issue, New Shares, which may be held in uncertificated form, will rank *pari passu* with the then issued ordinary shares in the Company in respect of all rights arising on or after the date of issue.

BMO Investment Business Limited
Company Secretary

Scrip Dividend Scheme: Section I

1. INTRODUCTION

Section I explains how the Scheme operates and also sets out further details and terms of the Scheme.

2. WHO CAN JOIN THE SCHEME?

For each dividend in respect of which a scrip dividend is offered, there will be a date on which shareholders on the Company's register of members qualify for either a cash dividend or a scrip dividend of New Shares (depending on whether or not they have completed a mandate). The Scheme gives you the opportunity to receive, in respect of all or part of your holdings of ordinary shares, New Shares instead of cash for any future dividends (although you will remain able, by cancelling your mandate, to choose cash in respect of any future dividend at the time that the offer of any scrip dividend alternative is made).

All shareholders resident in the United Kingdom can join the Scheme. For details regarding shareholders resident outside the United Kingdom, please see question 10.

3. HOW DO I JOIN THE SCHEME?

Please complete the enclosed Scrip Dividend Mandate Form and return it to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. No acknowledgement will be issued. You may also apply online at www.investorcentre.co.uk. If you use the online application in respect of any joint shareholdings, you must confirm that you are the first-named shareholder or have the consent of all other joint holders to use the service.

Your mandate will remain in force for all future dividends until cancelled by you in writing. For further details see question 15. Mandate Forms must be received by Computershare Investor Services PLC not later than 5.00 p.m. on the date which is 15 working days before the dividend payment date to be eligible for that dividend. Forms received after that will be applied in time for the next dividend.

Upon execution of a Mandate Form, either personally or on behalf of the relevant shareholder, that shareholder is deemed (in respect of himself, his heirs, successors and assigns):

- (a) to agree to participate in the Scheme pursuant to its terms; and
- (b) to authorise the Company or its agent (i) in the case of holdings in certificated form, to send to the participant, at the participant's registered address, any definitive share certificate in respect of New Shares allotted, and (ii) in the case of holdings in uncertificated form, to credit the shares allotted to the participant's CREST account on the date that dealings commence.

4. HOW MANY SHARES WILL I RECEIVE?

The number of New Shares you will receive for each dividend will depend on:

- (a) the amount of the cash dividend. For dividends declared in currencies other than Sterling the relevant foreign exchange rate at the latest practicable date prior to issuance will be applied;
- (b) the number of ordinary shares registered in your name at the record date for the dividend;
- (c) the price to be used in calculating your entitlement to New Shares (the Calculation Price). This will be the Sterling Net Asset Value of the Company announced for the end of the month immediately preceding the record date for the relevant dividend. *Please note that the share price of the Company listed on the London Stock Exchange may trade at a discount or premium to the Net Asset Value.*

Fractions of New Shares will not be issued and any cash balance will be carried forward, without interest, and added to your next dividend for the purposes of calculating your entitlement to New Shares in lieu of that dividend pursuant to the Scheme.

Based on a cash dividend of 10 pence per ordinary share and a Calculation Price of 55 pence, the following example calculation sets out the number of New Shares to be issued, assuming a holding of 1,000 ordinary shares:

Value of cash dividend is $1,000 \times 10 \text{ pence} = \text{£}100$
Number of New Shares is $\text{£}100 \div 55 \text{ pence} = 181.82$
Rounded down to 181 New Shares

The value of the New Shares, at the Calculation Price, is $181 \times 55 \text{ pence} = \text{£}99.55$. The cash balance of 45 pence ($\text{£}100$ less $\text{£}99.55$) would be carried forward to the next dividend payment (see question 6).

5. HOW WILL I KNOW HOW MANY NEW SHARES I HAVE RECEIVED?

You will receive a statement showing the number of New Shares you have received instead of the cash dividend and any cash balance carried forward to the next dividend payment. The statement will also contain details of the cash equivalent value of the New Shares, which you will need for your tax. A share certificate will also be sent if you hold your shares in certificated form.

6. WHAT WILL YOU DO WITH THE CASH BALANCE?

When calculating your new share entitlement, it is unlikely that this will give rise to an exact number of New Shares. As fractions of New Shares cannot be issued, an entitlement to their cash value at the Calculation Price (the Cash Balance) will be carried forward, without interest, and added to your next dividend when it will be used in the calculation of your entitlement to New Shares. If you withdraw from the Scheme or sell or transfer your entire holding of ordinary shares or if the Company terminates the Scheme or if (being the sole shareholder) you die, become bankrupt, go into liquidation or suffer from mental incapacity, any Cash Balance will be paid to a charity of the Company's choice.

7. WHEN WILL I RECEIVE MY SHARES?

Subject to the New Shares being admitted to the Official List of the UKLA and to trading on the London Stock Exchange, dealings in the New Shares are expected to begin on the dividend payment date. Share certificates for the New Shares will be posted, at your risk, on or about the same day as dividend cheques are posted to those shareholders who are taking their dividends in cash. If you hold your shares in uncertificated form your CREST member account will be credited directly with New Shares on the dividend payment date. In the unlikely event that the New Shares are not admitted to the Official List of the UKLA and to trading on the London Stock Exchange, the dividends for shareholders who have chosen to receive New Shares will be paid in cash as soon as reasonably practicable.

8. DOES THE SCHEME APPLY TO SHARES IN JOINT NAMES?

Yes, but all joint shareholders must sign the Mandate Form. You should complete a Mandate Form for each separate holding. For example, if you have a holding in your name only and a joint holding with another person, two Mandate Forms should be completed.

9. CAN I COMPLETE A MANDATE FORM FOR PART OF MY HOLDING?

If you wish to receive your dividend in the form of New Shares instead of cash in respect of part only of your shareholding, and to receive cash in respect of the remaining part of your shareholding, in addition to returning the Mandate Form, you should give notice in writing to the Company's Registrar, Computershare Investor Services PLC, which notice must be received at least 15 working days before the dividend payment date, specifying the number of shares held by you in respect of which you wish to receive New Shares. If this number gives rise to a fraction of a new share, that fraction will not be issued and the cash portion of your dividend will be increased accordingly and will be paid out together with the cash dividend in respect of your holdings for which no election has been made. Any such partial election shall have effect only in respect of the dividend to which it relates.

10. CAN OVERSEAS SHAREHOLDERS JOIN THE SCHEME?

Shareholders who are residents, citizens or nationals of any overseas countries may only elect to receive New Shares if the scrip dividend alternative can lawfully be offered to and accepted by them under the laws of the relevant jurisdiction(s) and in both cases without any further obligation on the part of the Company. Any such shareholder must satisfy himself or herself as to full observance of the laws of the relevant territory, including complying with any regulatory or legal procedures which may be required and observing all other necessary formalities.

Except at the Directors' discretion, the opportunity to receive New Shares in place of any future interim or final dividends is not being offered to, or for the account of, any North American Person. The Company's shares have not been registered under the United States Securities Act of 1933 (as amended) or under the laws of any State in the United States. 'North American Person' means any citizen, national or resident of the United States or Canada, any corporation, partnership or other entity created or organised in or under the laws of the United States or Canada, or any political sub-division thereof, or with a registered address in either of those countries, or any estate or trust the income of which is subject to United States federal taxation or Canadian income taxation (regardless of its source). 'United States' means the United States of America (including each State of the United States of America and the District of Columbia). References to the United States and Canada include their territories, possessions and all areas subject to their jurisdiction. In particular, but without limitation to the above, shareholders who are resident in the States of California, Colorado or Georgia in the United States and whom the Directors permit to elect to receive New Shares may only so elect if they are eligible to do so as institutional investors under the security laws of the relevant State(s); such residents who so elect will be deemed to represent to the Company that they are eligible to do so as such institutional investors.

11. WHAT HAPPENS IF I BUY MORE SHARES AFTER I HAVE COMPLETED A MANDATE FORM?

Any extra shares which you buy, and which are registered in your name prior to a particular dividend record date, will be covered by the Mandate Form you have completed and you will receive New Shares instead of cash dividends on the whole of your increased holding. If you buy ordinary shares in the Company on or after the date on which shares are first quoted 'ex-' any dividend, you will not be entitled to receive that dividend on them.

12. WHAT HAPPENS IF I SELL PART OF MY HOLDING?

Your mandate will apply to your remaining ordinary shares.

13. WHAT HAPPENS IF I HAVE MORE THAN ONE HOLDING?

If your ordinary shares are registered in more than one holding and you want to receive New Shares instead of cash dividends, you should complete a separate Mandate Form for each holding. If you wish, you may at any time ask the Company's Registrar, Computershare Investor Services PLC, to combine your holdings. For information on CREST, please refer to question 17.

14. WHAT ARE THE TAX EFFECTS?

The tax effect of taking New Shares will depend on your individual circumstances. Further details are contained in Section II. If you are not sure how you will be affected, it is recommended that you consult your professional adviser.

15. CAN I CANCEL MY INSTRUCTIONS?

You may cancel your instructions at any time by writing to the Company's Registrar, Computershare Investor Services PLC. For a cancellation to be effective for a dividend, it must be received at least 15 working days before the payment date for that dividend. If it is received within 15 working days of a payment date, it will not apply to the first dividend but it will apply to all subsequent dividends. You can also cancel your instructions online at www.investorcentre.co.uk.

16. CAN THE COMPANY CANCEL THE SCHEME?

The Scheme may be amended, suspended or terminated at the discretion of the Directors, in which case shareholders will normally be advised. In the case of an amendment, your instructions will remain valid under the amended terms unless the Company's Registrar, Computershare Investor Services PLC, is notified in writing by you to the contrary.

17. WHAT IF I HOLD MY SHARES IN CREST?

If you hold your shares in uncertificated form in the CREST system you may elect to participate in the Scheme by means of the CREST procedures that require the use of the Dividend Election Input Message in accordance with the CREST Manual. Further details of these procedures are contained below under 'CREST Procedures'. Where practicable, New Shares allotted to you in respect of a holding in CREST will be allotted in uncertificated form and credited electronically to the same CREST member account as registered for that holding prior to the record date for the relevant dividend, unless the Company is unable to do so under the provisions of the Uncertificated Securities Regulations 2001 or the facilities and requirements of CREST, in which case share certificates in respect of such New Shares will be issued in the usual way. If part of your registered holding is in CREST and the balance is represented by share certificates, you must complete and return separate Mandate Forms to receive New Shares in respect of both your CREST and non-CREST holdings, unless you choose to elect on your CREST holding in accordance with CREST procedures.

CREST Procedures

If you hold your shares in uncertificated form in CREST and will continue to do so at the record date for the relevant dividend, you must elect to participate in the Scheme by means of the CREST procedures to effect such an election. If you are a CREST Personal Member, or other CREST Sponsored Member, you should consult your CREST sponsor, who will be able to take the appropriate action on your behalf. The CREST procedures require you to use the Dividend Election Input Message in accordance with the CREST Manual. The message should be correctly completed in order for a valid election to be made. The Company and/or the Company's Registrar reserves the right to treat as valid an election which is not complete in all respects. A valid election made by means of Dividend Election Input Message will, to the extent it relates to shares held in uncertificated form at the record date for the relevant dividend, supersede all previous written elections made in respect of holdings in the same member account. By inputting a Dividend Election Input Message as described above, you confirm your election to participate in the Scheme in accordance with the details input and with the terms and conditions of the Scheme as amended from time to time. You may only revoke an election which has been made by Dividend Election Input Message by utilising the CREST procedure for deletions described in the CREST Manual, unless the Company and the Company's Registrar consent to a revocation in another form. The deletion will be valid in relation to the then current dividend only if the deletion is accepted, in accordance with the CREST procedures, by or on behalf of the Company prior to the deadline for receipt of withdrawals set out in these terms and conditions. It is recommended that you input any deletion message 24 hours in advance of this deadline to give the Company and the Company's Registrar sufficient time to accept the deletion. There is no facility to amend an election which has been made by Dividend Election Input Message; if you wish to change your election details you must first delete the existing election as described above and then input Dividend Election Input Message with the required new details. It is possible to revoke previous written elections made in respect of your uncertificated holding to participate in the Scheme (without having to make a new election) by means of the 'Non-CREST Election' and 'Deletion Request Status' fields in the Dividend Election Input Message in accordance with the procedures described in the CREST Manual. The deletion will be valid in relation to the then current dividend only if the deletion is accepted, in accordance with the CREST procedures, by the Company's Registrar on behalf of the Company prior to the deadline for receipt of withdrawals set out in these terms and conditions. It is recommended that you input any deletion message 24 hours in advance of this deadline to give the Company and the Company's Registrar sufficient time to accept the deletion.

18. WHAT IS THE GOVERNING LAW OF THE SCHEME?

The Scheme (including any election(s) and authorisation(s) given by any shareholder) is governed by and its terms are to be construed in accordance with English law. By electing to receive New Shares the shareholder agrees to submit to the jurisdiction of the English courts in relation to the Scheme.

19. WHAT DO I DO IF I HAVE ANY QUESTIONS?

Please write to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ or contact the helpline on +44 (0)370 703 0128 if you have any queries concerning the Scheme.

Should you wish to check whether the calculation price for any dividend has been determined please call the helpline number set out above. If you wish to receive dividends in cash in the usual way you should not complete a Mandate Form and may disregard this document.

Scrip Dividend Scheme: Section II

Taxation

The Company has been advised that, under current United Kingdom legislation and published HM Revenue & Customs practice (both of which are liable to change without notice, possibly retrospectively), the taxation consequences for shareholders electing to receive New Shares instead of a cash dividend will be, broadly, as follows. This summary only relates to the position of shareholders resident solely in the United Kingdom for taxation purposes and does not cover the position of certain categories of shareholder, such as non-UK resident shareholders, shareholders who hold or acquire shares in the Company in the course of a trade, collective investment schemes and insurance companies. The precise taxation consequences for a particular shareholder will depend on that shareholder's individual circumstances.

This summary of the taxation treatment of the Scheme is not exhaustive. It is based on law and practice currently in force in the United Kingdom and is subject to change, possibly with retrospective effect. If you are in any doubt as to your tax position, you should consult your professional tax adviser before taking any action.

INDIVIDUALS

Where individuals elect to receive New Shares in place of a cash dividend, they will be treated as having received dividend income of an amount which is equal to the 'cash equivalent' of the New Shares. The cash equivalent will normally be the amount of cash dividend foregone unless the difference between the amount of the cash dividend foregone and the market value of the New Shares on the first day of dealings in the New Shares on the London Stock Exchange (the opening value) is 15% or more of that opening value. In such circumstances, the cash equivalent for taxation purposes is based upon the market value of the New Shares.

Individuals are currently entitled to receive up to £2,000 of dividend income in the 2019/20 tax year tax-free. Individuals whose total dividend income for the 2019/20 tax year (including the New Shares) is less than £2,000 will have no liability to income tax in respect of the New Shares received. Individuals with dividend income above £2,000 will be liable to pay income tax at 7.5% on any excess above that £2,000 that falls within the basic rate band, 32.5% for excess within the higher rate band, and 38.1% for excess within the additional rate band.

For example, if the cash equivalent of the New Shares received is £100, the individual will be treated as having received dividend income of £100. If the individual receives no other dividend income in the 2019/20 tax year, this £100 will not be subject to income tax. If the individual has already received £2,000 of dividend income in the 2019/20 tax year (not including the £100 of New Shares), a 20% basic rate taxpayer will be liable to pay income tax of £7.50, a 40% higher rate taxpayer will be liable to pay income tax of £32.50 and a 45% additional rate taxpayer will be liable to pay income tax of £38.10. Subject to what is stated above in relation to the cash equivalent of the New Shares, this is generally the same treatment as for cash dividends.

For capital gains tax purposes, the New Shares will be treated as a new acquisition of shares with a cost equal to the cash equivalent as described above.

TRUSTEES (OTHER THAN BARE TRUSTEES AND NOMINEES)

Where UK resident trustees of discretionary and accumulation and maintenance trusts who are liable to pay income tax at the trust rate elect to receive New Shares instead of a cash dividend, they will be liable to pay tax at the dividend trust rates on the 'cash equivalent'. The £2,000 tax-free dividend allowance available to individuals is not available to trustees.

The capital gains tax position for trustees is substantially identical to that for individuals.

COMPANIES

A corporate shareholder resident in the UK for tax purposes will not generally be liable to UK corporation tax on the receipt of scrip shares. For the purposes of computing any future liability to corporation tax on chargeable gains, no consideration will be treated as having been given for the New Shares which will be treated as having been acquired when the shareholder's existing holding was acquired.

PENSION FUNDS

Pension funds will not be subject to tax on the scrip dividend.

Scrip Dividend Mandate Form

European Assets Trust PLC, registered in England No. 11672363, Registered Office: Exchange House, Primrose Street, London EC2A 2NY.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately. Full details of the scrip dividend mandate Scheme are set out in the attached document.

If you wish to receive New Shares instead of cash in respect of the whole of any dividend, you should complete and sign this form and return it to the Company's Registrar, so as to be received not later than 5.00 p.m. on the date which is 15 working days before the relevant dividend payment date (the Return Date). You will then automatically receive New Shares in respect of the whole of that dividend and any future dividend in respect of which the scrip dividend Scheme applies unless you cancel the mandate.

If you wish to receive your dividends in cash please ignore this form.

TO THE DIRECTORS OF EUROPEAN ASSETS TRUST PLC

I elect to receive all future dividends paid by the Company as an allotment of New Shares instead of cash, on the terms of the European Assets Trust PLC scrip dividend Scheme and the Articles of Association of the Company. If received by 5.00 p.m. on the Return Date, this mandate shall apply to all dividends paid after such date in respect of my entire shareholding on the appropriate record date(s). If received after 5.00 p.m. on the Return Date for a particular dividend, this mandate will not apply to that dividend but will apply to all subsequent dividends. This mandate shall remain effective until I cancel it.

I declare that I am not resident in the United States or Canada or in any jurisdiction that requires the Company to comply with any governmental or regulatory procedures arising out of this mandate, nor do I hold the ordinary shares to which this mandate relates as nominee or trustee for any beneficial owner who is so resident. I undertake to revoke this mandate should this situation change.

(1) Signature ¹	(2) Signature ¹
Name in full (BLOCK CAPITALS) and shareholder reference number	Name in full (BLOCK CAPITALS) and shareholder reference number
Address	(3) Signature ¹
	Name in full (BLOCK CAPITALS) and shareholder reference number
	(4) Signature ¹
	Name in full (BLOCK CAPITALS) and shareholder reference number
Dated _____	
Daytime telephone contact _____	

¹ In the case of joint holders ALL must sign. In the case of a corporation, this form should be executed under its common seal or be signed by a duly authorised official whose capacity should be stated.

All enquiries regarding this form should be addressed to the Company's Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ (Telephone +44 (0)370 703 0128). Computershare Investor Services PLC is regulated by the UK Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.