

ALLIANCE TRUST PLC
NOMINATION COMMITTEE
TERMS OF REFERENCE
(April 2011)

1. Constitution

It is hereby resolved that the Nomination Committee of the board formed by resolution of the directors on 1 February 2004 be continued on the following terms:

2. Membership

The Committee shall be appointed by the board from amongst the directors of the Company and shall consist of not less than three members. A majority of the Committee shall be independent non-executive directors.

The Chairman of the Committee shall be a non-executive director appointed by the board and will not have a second or casting vote in any matter to be determined by the Committee or recommended by the Committee to the board.

The Chairman of the board shall chair the Committee except when the succession to the Chairman position is being considered by the Committee, when the Senior Independent Director shall take the chair.

3. Secretary

The Company Secretary or his nominee shall act as the Secretary of the Committee.

4. Quorum

A quorum shall be three members, of whom at least two shall be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present will be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Meetings

Meetings shall be held at least twice a year and otherwise at such times as the Committee consider necessary in fulfilment of its duties.

6. Notice of meetings

Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee chairman.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, will be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

7. Minutes of meetings

The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

Draft minutes of Committee meetings will be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the board unless it would be inappropriate to do so.

8. Annual General Meeting

The Committee chairman should attend the annual general meeting to answer shareholder questions on the Committee's activities.

9. Duties

The Committee shall carry out the duties below for the parent company only:

- a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and make recommendations to the board with regard to any adjustments that are deemed necessary;
- b) satisfy itself, with regard to succession planning, that the processes and plans are in place for both board and senior appointments and that these take into account the challenges and opportunities facing the Company, and the skills and expertise needed on the board in the future;
- c) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability to compete effectively in the marketplace;
- d) be responsible for identifying and nominating, for the approval of the board, candidates to fill board vacancies as and when they arise;
- e) assess and articulate the time needed to fulfil the role of Chairman, senior independent director and non-executive director and undertake an annual evaluation to ensure that all members of the board have sufficient time properly to discharge their duties to the Company;
- f) before any appointment is made by the board, evaluate the balance of skills, knowledge, experience and diversity on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:

- i. use open advertising or the services of external advisers to facilitate the search;
 - ii. consider candidates from a wide range of backgrounds;
 - iii. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that having regard for the other commitments of the candidate that appointees have enough time available to devote to the position.
- g) for the appointment of a chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed chairman's other significant commitments should be disclosed to the board before appointment and any changes to the chairman's commitments should be reported to the board as they arise;
- h) prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- i) ensure that on appointment to the board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;
- j) review the results of the board performance evaluation process that relate to the composition of the board;
- k) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.

The Committee shall also make recommendations to the board concerning:

- l) items that should be published in the Company's Annual Report relating to the activities of the committee;
- m) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of chairman and chief executive;
- n) suitable candidates for the role of senior independent director;
- o) membership of the audit and remuneration committees, and any other board committees as appropriate, in consultation with the chairmen of those committees;
- p) the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;

- q) the re-election by shareholders of directors, having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the board (particularly in relation to directors being re-elected for a term beyond six years);
- r) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract;
- s) the appointment of any director to executive or other office.

10. Reporting

The Committee chairman shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall produce a report to be included in the Company's annual report on its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

11. Other matters

The Committee shall

- a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- c) give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate; and
- d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

12. Authority

The Committee is authorised to seek any information it requires directly or otherwise from any employee of the Company in order to perform its duties.

The Committee is authorised to obtain, at the Company's expense, outside legal or independent professional advice on any matters within its terms of reference.