

THE ALLIANCE TRUST PLC

CONSTITUTION AND TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

12 December 2003

CONSTITUTION

- (1) The Remuneration Committee shall be appointed by the Board from among the independent non-executive directors of the Company and shall consist of not less than 3 members.
- (2) The Chairman of the Committee shall be appointed by the Board and shall not have any second or casting vote in any matter to be determined by the Committee or recommended by the Committee to the Board.
- (3) The quorum for meetings shall be two members.
- (4) The Company Secretary will receive and keep a record of the Committees proceedings.

TERMS OF REFERENCE

- (1) In the exercise of its duties, the Committee
 - (i) shall consult with the Chairman of the Board
 - (ii) shall consult with the Chief Executive except about matters relating to the Chief Executive's own remuneration package.
 - (iii) may take any professional advice which the committee considers necessary from within or outwith the Company
 - (iv) may consult with any other person at the committee's discretion.
- (2) The Committee shall:
 - (a) determine, on behalf of the Board, specific remuneration packages for each of the executive directors of the Company, including their pension rights and any compensation payments;
 - (b) determine, on behalf of the board, the remuneration of the Chairman;
 - (c) recommend to the chief executive and monitor the level and structure of remuneration for senior management. "Senior management" means members of the Executive Committee, the Company Secretary, the Internal Audit and Compliance Surveillance Manager and any other executive who has responsibility for a Controlled Function under the FSA rules for any group company.

In determining policy and remuneration packages under these terms of reference, the committee is required to give due regard to the recommendations of the Combined Code on Corporate Governance and the provisions of the UK Listing Authority's Listing Rules.

- (3) The Remuneration Committee shall consider the extent to which the directors' remuneration report in the Annual Report of the Company complies with any statutory provisions regarding disclosure.

- (4) In the exercise of its duties, the Committee shall bring to the specific attention of the Board any recommendations or decisions of the Committee which would require the Committee, or the Board, under the Listing Rules or any statutory provisions to make a statement in the Reports and Accounts of the Company explaining or justifying any non compliance with the provisions of the Listing Rules or any statutory provisions in so far as they relate to remuneration committees or their responsibilities.
- (5) The committee shall select, appoint and approve the terms of appointment of any consultants in respect of executive director remuneration.

Authority

The Committee shall have the power to employ the services of such advisers as it deems necessary to fulfil its responsibilities.