

FOR INFO ONLY

**Special Resolution to be Filed at the Companies Registry**

No. SC001731

**THE COMPANIES ACT 1985  
THE COMPANIES ACT 1989**

**Public Limited Company**

**Special Resolution of The Alliance Trust PLC (the "Company")**

At an extraordinary general meeting of the Company duly convened and held on 10 May 2006, the following Resolution was duly passed as a Special Resolution of the Company:

**SPECIAL RESOLUTION**

**THAT:**

- (A) the proposed merger (the "Merger") between the Company and The Second Alliance Trust PLC ("2AT") to be effected pursuant to a scheme of arrangement (the "Scheme") under Section 425 of the Companies Act 1985 (the "Act") between 2AT and the holders of the Scheme Shares (as defined in the Scheme), details of which are contained in a document dated 31 March 2006 (the "Scheme Document") which has been sent to 2AT shareholders, a copy of which, initialled by the Chairman of the meeting for the purposes of identification, has been produced to the meeting, or on such other terms (which are not materially different to the terms of the Scheme as set out in the Scheme Document) and subject to such other conditions as may be approved by the directors of the Company (the "Board") (or any duly authorised committee thereof), be and is hereby approved;
- (B) the directors (or any duly authorised committee thereof) be and are hereby authorised to bind the Company to the Scheme in its original or in any modified or amended form if approved by them, to take all necessary or appropriate steps to complete or to procure the completion of such Merger and give effect thereto with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments which are of a material nature) as the Board or any duly authorised committee thereof may deem necessary, expedient or appropriate;
- (C) subject to the Merger becoming unconditional (save for any conditions relating to (i) the delivery of the orders of the Court of Session of Scotland sanctioning the Scheme and confirming the reduction of capital in 2AT to the Registrar of Companies in Scotland (the "Court Sanction"), (ii) registration of such orders by the Registrar of Companies in Scotland ("Registration"), and (iii) the admission of the ordinary shares of 2.5 pence each in the Company to be issued pursuant to the Merger becoming effective in accordance with the Listing Rules or as appropriate, the UK Listing Authority and the London Stock



Exchange agreeing to admit such shares to the Official List and to trading on the main market of the London Stock Exchange respectively ("**Admission**"):

- (i) the authorised share capital of the Company be and it is hereby increased from £12,600,000 to £18,000,000 by the creation of a further 21,600,000 ordinary shares of 25 pence each;
- (ii) the Board be and is hereby generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Act to exercise all the powers of the Company to allot relevant securities as set out in the Article 9 of the Company's Articles of Association up to an aggregate nominal amount of £5,400,000, such power to expire on the date which is the earlier of 15 months from the date of passing this resolution or on the date of the annual general meeting of the Company to be held in 2007, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuant of such an offer or agreement as if the authority conferred hereby had not expired;
- (iii) all of the ordinary shares of 25 pence each in the Company (the "**Existing Ordinary Shares**"), whether issued or unissued, shall be subdivided into ten new ordinary shares of 2.5 pence each in the capital of the Company;
- (iv) the Company's Articles of Association be amended as follows:
  - (i) Article 58 shall be amended by the deletion of the words "every eight Ordinary Shares" on the penultimate line of such article and the words "each Ordinary Share" substituted in place thereof; and
  - (ii) Article 71 shall be amended by the deletion of the words "two hundred" on the first line of such article and the words "three thousand" substituted in place thereof;
- (v) the limit on the aggregate amount of remuneration of the Directors of the Company as determined in accordance with Article 72 of the Company's Articles of Association immediately before this paragraph (C) of this Special Resolution becomes unconditional, be increased by £54,000.
- (vi) the Company's Articles of Association be amended by the insertion of the following article as new article 5A:

**"5A Purchase of Own Shares**

5A.1 "Subject to the provisions of the Statutes, the Company may purchase, or may enter into a contract under which it will or may purchase, any of its own shares of any class but so that if there shall be in issue any shares which are admitted to the official list maintained by the UK Listing Authority and which are convertible into equity share capital of the Company of the class proposed to be purchased, then the Company shall not purchase, or enter into a contract under which it will or may purchase, such equity shares unless either:

- (a) the terms of issue of such convertible shares include provisions permitting the Company to purchase its own equity

shares or providing for adjustment to the conversion terms upon such a purchase; or

- (b) the purchase, or the contract, has first been approved by an Extraordinary Resolution passed at a separate meeting of the holders of such convertible shares.

5A.2 The Company may not exercise any right in respect of treasury shares held by it, including any right to attend or vote at meetings, to participate in any offer by the Company to shareholders or to receive any distribution (including in a winding-up), but without prejudice to its right to sell the treasury shares, to transfer the shares for the purposes of or pursuant to an employees' share scheme, to receive an allotment of shares as fully paid bonus shares in respect of the treasury shares or to receive any amount payable on redemption of any redeemable treasury shares."


- (vii) the Directors be and are hereby unconditionally and generally authorised for the purpose of Section 166 of the Companies Act 1985 to make market purchases (as defined in Section 163 of that Act) of Ordinary Shares of 2.5 pence each in the capital of the Company provided that:

- (a) the maximum number of shares which may be purchased is 100,768,344 or, if less, 14.99% of the ordinary shares in issue on the Effective Date immediately following the issue of New AT Shares (as defined in the document of which this Notice forms part);
- (b) the minimum price which may be paid for each share is 2.5 pence; and
- (c) the maximum price which may be paid for a share is an amount equal to the higher of (a) 105 per cent of the average of the closing price of the Company's Ordinary Shares as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which such share is contracted to be purchased or (b) the higher of the price of the last independent trade and the highest current bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments (No 2273/2003);
- (d) this authority shall expire on the date which is the earlier of 15 months from the date of passing this resolution or on the date of the annual general meeting of the Company to be held in 2007 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.

- (viii) the name of the Company be changed to "Alliance Trust PLC"; and

- (D) the acquisition by the Company of 2AT's investment portfolio and other assets on, or substantially on, the terms and conditions of the draft transfer agreement to be entered into between the Company and 2AT (the "Asset Transfer Agreement"), a draft copy of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof, be and is hereby approved and that the directors of the Company be,

and are, hereby authorised to take all steps they deem necessary to procure that the Company execute the same and carry it into effect.

  
.....

Chairman

Date: 10 May 2006