

TANZANITE ONE LIMITED

(incorporated in Bermuda – Registration No: EC33385)

Procedure for directors to take independent professional advice

1 Introduction

- 1.1 Occasions may arise when directors have to seek legal or financial advice in furtherance of their duties. Directors are always able to consult the Group's advisers and it is not intended to restrict or discourage this in any way. However, the board of directors of the Group (the "board") has adopted the procedure set out below for circumstances where a director of the Group considers it necessary to take independent professional advice in the furtherance of his/her duties, at the Group's expense.

Any advice taken will be in his/her capacity as a director, not on behalf of the Group or of the entire board. Advisers should be notified accordingly. Failure to follow these procedures will mean that the director concerned will be responsible for any costs incurred.

The procedure set out below does not cover advice concerning the personal interests of a director including matters relating to his/her service contract or his/her dealings in the Group's securities or in relation to disputes with the Group; in such cases, the director concerned will be personally responsible for the cost of obtaining such advice.

2 Procedure

- 2.1 Where a director considers it necessary to take independent professional advice in furtherance of his/her duties, he/she should first consult with the Group's advisers through the Group secretary to clarify their advice and to identify his/her concerns with them directly unless, in the circumstances, he/she reasonably considers that such consultations would be inappropriate.

- 2.2 If:
- 2.2.1 a director reasonably considers it necessary to take professional advice in furtherance of his/her duties from independent advisers and not from the Group's professional advisers; or
 - 2.2.2 following consultations with the Group's advisers or where consultation is reasonably considered to be inappropriate as outlined in paragraph 2.1, the director reasonably considers it necessary to take independent professional advice,
- the director may take independent professional advice at the Group's expense (up to a limit of US\$5,000 or such higher figure as the board may determine) after first giving notice in writing to the Group secretary with details of the matter on which he/she is proposing to seek advice and the advisers he/she is proposing to consult together with the fee arrangements and an estimate of the costs to be incurred.
- 2.3 Where either paragraph 2.2.1 or 2.2.2 applies and the expenses of taking independent advice are likely to exceed US\$5,000 or the higher figure (if any) determined by the board, the director should discuss his/her concerns with the chairman of the Audit Committee (having first given him/her and the Group secretary notice in writing containing the same details as are required for a notice given under paragraph 2.2) and explain why he/she considers it necessary to take independent professional advice. Following discussions with the director, the chairman of the Audit Committee shall either:
- 2.3.1 authorise in writing the payment by the Group of the reasonable fees of such independent advisers as he/she approves (with or without a limit at his/her discretion) for advising the director on those matters raised by that director which the chairman of the Audit Committee considers appropriate; or

- 2.3.2 set out in writing the reasons why he/she considers that there is no arguable case for the Group to pay the cost of obtaining the independent professional advice in question. The director may then require that the matter be considered by the full Audit Committee which shall determine whether or not the director should be authorised to obtain independent professional advice on the matters raised at the Group's expense. Any authority given by the Audit Committee should be in the form of an Audit Committee chairman's authority as set out in paragraph 2.3.1.
- 2.4 In his/her own case, the chairman of the Audit Committee should discuss his/her concerns with the other members of the Audit Committee (having first given them and the Group secretary notice in writing containing the same details as are required for a notice given under paragraph 2.2) who shall deal with the matter in accordance with the procedure for an Audit Committee chairman's authority as set out in paragraph 2.3.1 or the first sentence of paragraph 2.3.2.
- 2.5 Where a director considers it necessary to seek independent professional advice, the matter will be included on the agenda for every meeting of the board until the issue requiring independent advice is resolved.