

TANZANITE ONE LIMITED
(incorporated in Bermuda – Registration No: EC33385)
REMUNERATION COMMITTEE CHARTER

i. Purpose

The Remuneration and Succession Planning Committee (the Committee) is established by the Board of directors. The purpose of the Remuneration and Succession Planning Committee is to assist the Board by reviewing and providing recommendations to the Board on:

- a) remuneration packages of key executives and executive directors;
- b) incentive policies, incentive plans and other employee benefit programs;
- c) the Group's recruitment, retention and termination policies;
- d) the Group's procedures for senior management;
- e) the Group's superannuation policy;
- f) succession plans of key executives (other than executive directors) and ensuring the performance of key executives is reviewed at least annually; and
- g) those aspects of the Group's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval.

2. Membership

- a) The Committee will have a minimum of three members, the majority being independent non-executive directors.
- b) The inaugural members of the Committee are:
Mr Ami Mpungwe (Chairman)
Mr Edward Nealon
Mr Bernard Olivier
- c) Members of the Committee will be appointed for an initial three year term of office after which their appointment will be subject to annual rotation at the discretion of the Board.

3. Meetings

- a) The Committee shall meet either in person or telephonically when deemed necessary by the Committee but must meet at least twice a year. The Committee shall keep full account of its business and minutes of meetings shall be circulated to the Board at each subsequent Board meeting.
- b) The Chairman of the Committee must call a meeting of the Committee if so requested by any Committee member, the Managing director/Chief Executive Officer or the Group Secretary.
- c) The Committee may invite other persons, such as internal specialists or external advisers, to attend meetings if considered appropriate by the Chairman of the Committee.
- d) The quorum necessary for a meeting of the Committee shall be 2 members, of whom at least one must be an independent director.

4. Secretary

- a) The Group Secretary will act as the Secretary of the Committee and will attend all Committee meetings.
- b) The Group Secretary, in conjunction with the Chairman of the Committee, must prepare an agenda to be circulated to each Committee member
- c) The Group Secretary will distribute a meeting timetable for each forthcoming calendar year.

5. Reporting

- a) The Chairman of the Committee must report the findings and recommendations of the Committee to the next Board meeting following each meeting of the Committee.
- b) The minutes of all Committee meetings will be circulated to members of the Board by the Group Secretary.
- c) The Chairman of the Committee must submit an annual report to the Board summarising the Committee's activities during the year and the related significant results and findings.

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- d) The Committee must approve the details to be published in the Group's Annual Report or any other statutory report or document with respect to the activities and responsibilities of the Committee.

6. Authority

The Committee is authorised by the Board to:

- a) investigate:
 - i. remuneration paid to executives of other companies of a similar size in a comparable industry sector; and
 - ii. the relative performance of such companies;
- b) obtain information on the remuneration of any employee of the Group;
- c) secure the attendance of any person with relevant experience and expertise at Committee meetings, if it considers their attendance to be appropriate;
- d) engage, at the Group's expense, outside legal or other professional advice or assistance on any matters within its charter or terms of reference; and
- e) seek any information it requires from any officer or employee of the Group and such officers or employees shall be instructed by the board of the Group employing them to respond to such enquiries.

7. Responsibilities

In addition to any other matters which may be delegated to the Committee by the Board (including special investigations), the Committee is responsible for:

7.1 Recruitment policy

Regularly reviewing, and making recommendations to the Board in respect of the Group's recruitment policy.

7.2 Remuneration policy

Making recommendations to the Board with respect to an appropriate remuneration policy for key executives and executive directors which:

- a) motivates directors and management to pursue the long-term growth and success of the Group within an appropriate control framework; and
- b) demonstrates a clear relationship between key executive performance and remuneration.

7.3 Provision of Information

Ensuring that the Board, management and the Committee are provided with sufficient information to ensure informed decision making.

7.4 Remuneration Packages

- a) Regularly reviewing and making recommendations to the Board regarding the remuneration packages of key executives and executive directors, and ensuring that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the Group's circumstances and goals.
- b) Within the terms of the agreed policy, determine the total individual remuneration package of each director including, where appropriate, bonuses, incentive payments and share options.
- c) Ensuring that a proportion of executive directors' remuneration is structured in a manner designed to link rewards to corporate and individual performance.
- d) Making recommendations to the Board with respect to the quantum of bonuses to be paid to key executives.
- e) Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

7.5 Non-executive directors

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- a) Ensuring that fees paid to non-executive directors are within the aggregate amount approved by shareholders and making recommendations to Board with respect to the need for increases to this aggregate amount at the Group's annual general meeting.
 - b) Ensuring non-executive directors are remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or equity) and do not participate in schemes designed for the remuneration of executives.
 - c) Ensuring that non-executive directors do not receive options or bonus payments.
 - d) Ensuring that non-executive directors are not provided with retirement benefits other than statutory superannuation.
- 7.6 Employee benefits and other policies
- a) Making recommendations to the Board with respect to the implementation and operation of equity-based incentive plans and other employee benefit programs.
 - b) Ensuring that incentive schemes are designed around appropriate performance benchmarks that measure relative performance and provide rewards for materially improved Group performance.
 - c) Ensuring that it acts as the sole body instructed and authorised to exercise any power or discretion vested in the Board under any share option or bonus or incentive schemes of whatever nature established for the benefit of employees of the Group from time to time.
- 7.7 Superannuation
- a) Regularly reviewing and providing advice to the Board in relation to the Group's superannuation policy in place for all participating directors and staff.
- 7.8 Succession plans
- Reviewing succession plans of key executives (other than executive directors) on a regular basis to maintain an appropriate balance of skills, experience and expertise in the management of the Group and providing advice to the Board accordingly.
- 7.9 Performance
- a) Developing and implementing a plan for identifying, assessing and enhancing competencies of key executives.
 - b) Ensuring that the performance of each key executive is evaluated at least annually.
- 7.10 Termination
- a) Determining and regularly reviewing the Group's termination policies, including the Group's policy in relation to the compensation agreed to be paid to any executive director or other senior executive in connection with termination of employment, and, where appropriate, office as director.
 - b) Ensuring that termination payments for the chief executive are agreed in advance, including detailed provisions in case of early termination, except for removal for misconduct.
 - c) Ensuring that employment agreements include a clear articulation of performance expectations.
 - d) Ensuring that consideration is given to the consequences of an appointment not working out, and to the costs and other impacts of early termination.
- 7.11 Other
- a) The Committee shall consider other matters referred to the Committee by the Board.
 - b) The Committee shall have no executive powers with regard to its findings and recommendations.
8. **Other**
- a) The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding his or her remuneration. Further, no member of the Committee may participate in any decision with respect to his or her position or remuneration.
 - b) The Committee may, in its discretion, delegate all or some of its responsibilities to a sub-committee.

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