

TIGRENT INC.
RELATED PARTY TRANSACTIONS POLICY

Background:

In July 2006, the Securities and Exchange Commission issued Item 404 - *Transactions with Related Parties, Promoters and Certain Control Persons* - of Regulation S-K the principals and standards with respect to related party transactions. The SEC stated that a “materially complete picture of financial relationships with a company involves disclosure regarding related party transactions.” Item 404 of Regulation S-K sets forth the standards for disclosure of related party transactions, is principal based and in effect for our 2006 year-end Consolidated Financial Statements. The new regulations require additional financial statement disclosure of transactions between the Company and related persons. Moreover, Item 404 (b) requires the Company to disclose the policy and procedure for review and approval of transactions with related persons.

To ensure that we have complied with the new SEC rules, we are adopting the Related Party Transactions Policy of Tigrent Inc. and its affiliates requiring all named executive officers, directors and affiliated holders of more than 5% of any class of Company stock, complete and sign a Related Person Transaction Disclosure questionnaire (format attached) on a quarterly basis. This questionnaire must disclose any related person transactions that have occurred the previous quarter or that are planned to occur during the upcoming year.

For year ended December 31, 2006, the Company is required to identify any transaction that may have occurred at any time during the year. Therefore, the attached Related Person Transaction Disclosure questionnaire for the period ended December 31, 2006, must include disclosure for any related person transactions occurring for the full fiscal year ended December 31, 2006 and quarter thereafter.

Transactions Subject to Policy:

Transactions that are subject to the policy include any transaction, arrangement or relationship (including indebtedness or guarantees of indebtedness) in which the Company is a participant with a related person. The related person may have a direct or indirect material interest in the transaction.

An “indirect” interest of a related person in a transaction includes a related person serving as an officer or employee of, or being a significant investor or equity holder in, an entity that is a party to a transaction with the Company.

It is important to note that the SEC requires disclosure of transactions with a related person that occurred **at any time** during the fiscal year, even if that person was not considered a “related” at year-end. The only exception to this reporting requirement is if the person is considered “related” based solely on stock ownership of more than 5% of the Company’s voting securities. In this case, the related person would have to meet the 5% ownership threshold at year-end.

“Related Persons” include:

- All named executive officers;
- All directors and any nominees for director;
- Any immediate family member of named executive officers, directors, or nominees for director; and
- Any affiliated holder of more than 5% of any class of the Company’s voting securities, or an immediate family member of such holder.

“Immediate family member” is defined as any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and any person (other than a tenant or employee) sharing the household of any executive officer, director, nominee for director, or holder of more than 5% of any class of the Company’s voting securities.

Transaction details required for disclosure:

- Name of the related person and the basis on which the person is a related person;
- The related person’s interest in the transaction with the Company, including the related person’s position(s) or relationship(s) with, or ownership in, a firm, corporation, or other entity that is a party to, or has an interest in, the transaction;
- The approximate dollar value of the amount involved in the transaction;
- In the case of indebtedness, disclosure of the amount involved in the transaction shall include the largest aggregate amount of principal outstanding during the period for which disclosure is provided, the current amount outstanding, and the amount of interest paid or payable; and
- Any other information that is material to investors.

Exemptions from this policy:

- Payment of compensation by the Company to its officers or directors for service to the Company in their stated capacity;
- Transactions available to all employees or all shareholders of the Company on the same terms; and
- Transactions, which when aggregated for any related person, involve less than \$120,000 in a fiscal year.

Approval, Administration and Disclosure of Related Person Transactions:

Signed Related Person Transaction Disclosure questionnaires must be submitted to the Co-President and Chief Financial Officer prior to the quarterly Audit Committee meeting. The Co-President and Chief Financial Officer will present the terms of these transactions, and the relationship of the related parties, to the Audit Committee of the Company’s Board of Directors (the “Committee”). The Committee may, at its sole discretion, approve or deny any related person transaction.

The Company’s General Counsel and Vice President, Finance will be responsible for the issuance, collection overall administration and summarizing the Related Person Transaction Disclosure questionnaires to the Co-President and Chief Financial Officer.

The Disclosure Committee of the Company is responsible for determining, recommending and drafting to the Co-President and Chief Financial Officer any and all related party disclosures that are required in accordance with the SEC and U.S. generally accepted accounting principles.

Standards for Transaction Approval:

The Committee will analyze the following factors, in addition to any other factors the Committee deems appropriate, in determining whether to approve a related person transaction:

- Fairness of the terms for the Company;
- Materiality of the transaction;

- Role of the related person in the transaction;
- Structure of the transaction; and
- Interests of all related parties in the transaction.

The Committee will only approve a related person transaction if the Committee determines that the terms of related person transaction are beneficial and fair to the Company.

Conditions for Approval:

Approval of a related party transaction may be conditioned upon the Company and the related person taking any or all of the following additional actions, or any other actions that the Committee deems appropriate:

- Requiring the related person to resign from, or change position within, an entity that is involved in the related person transaction with the Company;
- Assuring that the related person will not be directly involved in negotiating the terms of the related person transaction or in the ongoing relationship between the Company and the other persons or entities involved in the related person transaction;
- Limiting the duration or magnitude of the related person transaction;
- Requiring that information about the related person transaction be documented and that reports reflecting the nature and amount of the related person transaction be delivered to the Committee on a regular basis;
- Requiring that the Company have the right to terminate the related person transaction by giving a specified period of advance notice; or
- Appointing a Company representative to monitor various aspects of the related person transaction.

It is Company policy that the Committee shall approve any related party transaction before the commencement of the transaction. However, if the transaction is not identified before commencement, it must still be presented to the Committee for their review and ratification.
