

STERLING INVESTMENTS LIMITED
Corporate Governance Guidelines

Director Duties and Responsibilities

We expect the board of directors to promote and protect shareholder interests by:

- establishing an appropriate corporate governance structure;
- supporting and overseeing management in setting strategy;
- ensuring the integrity of financial statements;
- making decisions regarding mergers, acquisitions and disposals;
- establishing appropriate executive compensation structures; and
- addressing business issues including social, ethical and environmental issues when they have the potential to materially impact company reputation and performance.
- Attending a minimum of 75% of Board meetings in each calendar year. A director shall be deemed present if he attends via telephone or other electronic means in which all other meeting participants are able to hear him and vice versa.
- Retaining oversight for the global risk management framework and helping to ensure that the Company's risks are managed in a sound manner. The Board regularly reviews the Company's risks and the responsibilities of management and the Board committees to assist the Board in its risk oversight.

Board Structure

Companies should be controlled by an effective board, with an appropriate balance of executive and non-executive directors, such that no single stakeholder or group of stakeholders has a disproportionate or undue level of influence.

Size

The optimal size of the Board will vary based on the size and complexity of the company's operations. The optimal size of the Board will be based on the scale and type of activities conducted by the company as well as the availability of relevant and valuable expertise.

Compensation

The Board of Directors is responsible for setting director compensation and benefits. The compensation structure must align the interests of the shareholders and the directors and also attract and retain value added talent to the Board whilst taking into account local market practice.

Criteria

The Board seeks to recruit members with the required combination of skills and experience that will help to enhance company performance. The Board will also consider the number of directorships an individual director holds, and seek to be satisfied that directors have sufficient time and energy to discharge the role properly. In order to be able to devote sufficient time to his or her duties, we would not normally expect a non-executive to hold more than four significant directorships at any one time. For executives, only one additional non-executive post would normally be considered appropriate without further explanation.

Leadership & Independence

The Board retains the flexibility to adopt a leadership structure that it believes to be in the best interests of shareholders. The Board shall assess the effectiveness of the leadership structure on a regular basis and will appoint Chairmen (either executive or non-executive) based on the composition of the Board, the person then serving, or selected to serve, as Chief Executive Officer and the facts and circumstances at the time. The Board does not favor term limits for directors, but believes that it is important to monitor individual director performance.

Meeting Frequency

The board should meet at regular intervals to ensure effective oversight of the company. We regard four meetings per year as a minimum guidance, and more frequent meetings as necessary.

Director access to management and, as necessary and appropriate, independent advisors.

Directors retain an explicit right of access to management and information as they deem necessary. The Board and its committees shall have the right at any time to retain independent financial, legal or other advisors and the Company shall provide appropriate funding.

Director orientation and continuing education.

Upon appointment to the Board, new Directors will receive an introduction to the company's business model, including but not limited to its strategic plan, major contracts & investments, audited financial reports, as well as a copy of the articles of association and incorporation. The Directors will also receive periodic training in matters relating to legal & regulatory regimes as well as corporate governance and any other relevant content as necessary.

Annual performance evaluation of the board.

The board shall conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively.

Management succession

In the event of an emergency of the retirement of the CEO, The Board of Directors will select and appoint a CEO.

Accountability and Audit.

Auditors must provide an independent and objective check on the way in which the financial statements have been prepared and presented. The auditors' performance and appointment must be reviewed periodically by the Board. The Board must also ensure that the auditor and the company provide shareholders with timely and accurate information regarding the financial and strategic position of the company.

Audit Committee

The audit committee should consist of non-executive directors and number at least three individuals. At least one should have recent and relevant financial, accounting or audit experience, and all audit committee members should be financially literate. The committee should be responsible for assessing the effectiveness, independence, qualifications, expertise and resources of the external auditors as well as the quality of audit, and oversee the process of review and issue of the accounts.

The audit committee should be accountable for the proper oversight of risk management and internal controls. This includes reviewing all significant financial and extra-financial risks. The audit committee should also be responsible for monitoring and approving related-party transactions, and should ensure that any material related-party transactions do not disadvantage minority shareholders. If the audit committee includes non-independent directors, the review of related party transactions should be conducted exclusively by independent audit committee members.