

STERLING POWERGENSYS LIMITED

RISK MANAGEMENT POLICY

Risk management

Risk management aims to identify significant risk factors, prepare for them and manage them in an optimal way so that the company's objectives are achieved. Comprehensive risk management endeavours to manage the risk as a whole and not just individual risk factors.

Responsibilities

The principles of Sterling Powergensys Ltd's (SPL's) risk management are approved by the company's Board of Directors. The Board monitors the implementation of risk management and assesses the efficiency of the methods employed.

The principles for financial risk management are defined in the Group's Financial Policy. The principles for insurance risk management are specified in the Risk Management and Insurance Policy.

Identification, assessment and reporting of risks

The risk management process is defined in SPL's Integrated Management System. As part of the annual strategy process, risks are assessed at the Corporate Level.

In each responsibility area, the executive management assesses its strategic, financial, operational and accident risk factors. SPL evaluates risks, using a risk matrix, thereby also assigning monetary values to risks. Contingency plans are prepared for significant risks. Responsibility for the risk management measures is assigned to the relevant parties. The most significant risks identified and preparations for them are reported to the Board of Directors.