

Risk Management Policy

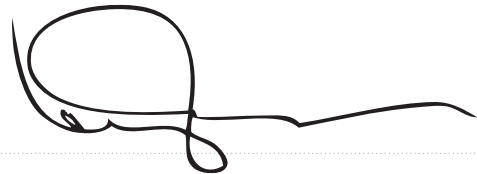
The Board of Directors is responsible for Cedar's system of internal control and for regularly reviewing its effectiveness. Procedures have been designed for, inter alia, the safeguarding of assets against unauthorised use or disposition, maintaining proper accounting records and the reliability of financial information used within the business. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not material errors, losses or fraud.

There is an ongoing process of identifying, evaluating and managing the significant risks faced by Cedar. This process is regularly reviewed by the Board of Directors. Cedar's key internal control procedures include the following:

- The Board of Directors has responsibility to set, communicate and monitor the application of policies, procedures and standards in areas including

operations, finance, legal, commercial, human resources, health and safety, information security, corporate social responsibility and the environment.

- Annual financial plans are prepared and reviewed by the Board. Expenditure on capital items and acquisitions are subject to Board authority. Results are monitored by means of monthly management accounts comparing actual with budget.
- The framework exists to identify, assess and mitigate the major business risks, including credit, liquidity, operations, reputation, regulatory and fraud. Exposure to business risk is monitored as part of the monthly review process.
- The risk management framework is monitored and developed as required by the Board to ensure that it remains appropriate to business requirements and consistent with best practice.



Signed:

Tony Manser, Managing Director

Last reviewed May 2016