CEDAR ROCK CAPITAL LTD (The "Company")
(Registered number: 4466326)

WEDNESDAY

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COMPANIES HOUSE

BOARD RESOLUTION

PILLAR 3 DISCLOSURE

17 June 2009

We the undersigned, being the Directors of the Company, unanimously RESOLVE:

To make public the following information on the Company's capital, risk exposures and risk assessment processes in accordance with the FSA's Prudential sourcebook for Banks, Building Societies and Investment Firms, Chapter 11 (Pillar 3):

Cedar Rock Capital Ltd (the "Company") was incorporated with limited liability in England and Wales on 20 June 2002 and is authorised and regulated by the Financial Services Authority (the "FSA") to provide investment management services.

The Company is categorised as a limited licence firm by the FSA for capital purposes. Pillar 3 disclosures fulfils the Company's obligation to disclose to market participants key pieces of information on a firm's capital, risk exposures and risk assessment processes.

I. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors of the Company determine its business strategy and the risk appetite. They have designed and implemented a risk management framework that recognizes the risks that the business faces. The Directors of the Company also determine how those risks may be mitigated and assess on an ongoing basis the controls and procedures necessary to manage those risks. The Directors of the Company and Compliance Officer meet on a regular basis and discuss projections for profitability, liquidity, regulatory capital, business planning and risk management.

As an investment manager, the Company considers the following as key risks to its business:

Business risk – This risk represents a reduction in clients and fee income and the loss or incompetence of key staff.

Operational risk – This risk covers a range of operational exposures from risk of trading errors to risk of incorrect client valuations. Subcontractor failure and systems failures also included within the category of operational risk.

Credit risk – This risk relates to the non-payment of management fees and counterparty exposure relating to the Firm's bank balances and any other debtors.

Client risk – This risk represents reputational and regulatory risk arising from misunderstanding clients' requirements, investing in unsuitable assets and breaching regulatory requirements.

The above risks are assessed and mitigated as part of the Internal Capital Adequacy Assessment Process ("ICAAP").

I. CAPITAL RESOURCES

The capital resources of the business comprises Tier 1 capital with no deductions.

As a limited licence firm the capital resources requirement is calculated as the total of Pillar 1 and Pillar 2 capital.

Pillar 1 capital is the greatest of:

1. a base capital requirement of Euro 50,000;
2. the sum of market and credit risk requirements; and
3. the Fixed Overhead Requirement ("FOR").

Pillar 2 capital is calculated by the Company as representing any additional capital to be maintained against any risks not adequately covered under the requirement in Pillar 1 as part of its ICAAP.

It is the Company's experience that its capital requirement normally consists of the FOR, although market and credit risks are reviewed monthly. The Company applies a standardised approach to credit risk, applying 8% to the Company risk weighted exposure amounts, consisting mainly of management fees due but not paid, and bank balances. Having performed the ICAAP it is the Company's opinion that no additional capital is required in excess of its Pillar 1 capital requirement.

As at 31 May 2009 the Company's regulatory capital position is:

Capital item	**£000**
Tier 1 capital: Company Capital and Audited Reserves as at 31 May 2009	£988K
Total Capital Resources Requirement for 2008/9 (Fixed Overhead Requirement)	£544K

III. MANAGEMENT OF THE ICAAP

The approach of the Company to assessing the adequacy of its internal capital to support current and future activities is contained in the ICAAP. This process includes an assessment of the specific risks to the Company and the internal controls in place to mitigate those risks. Finally, an assessment is made of the probability of occurrence and the potential impact, in order to arrive at a level of required capital, as relevant.

The Company's ICAAP is formally reviewed by the Directors of the Company approximately every 6 months, but will be revised should there be any material changes to the Company's business or risk profile.

Andrew Brown
Director

David Miller
Director

Joy-Isabelle Besse
Director