

CEDAR ROCK CAPITAL LIMITED

MIFIDPRU 8 DISCLOSURES (UNAUDITED)

Introduction

Cedar Rock Capital Limited (the “Firm”) is classified under MIFIDPRU as a small and non-interconnected investment firm (“SNI Firm”). As such, MIFIDPRU Chapter 8 requires the Firm to disclose information regarding its remuneration policy and practices. This report is in respect of the Firm’s eighteen-month accounting and performance period ending 30 April 2023 (“the Period”).

Since December 2021 the Firm has focussed on winding down its investment management business. This has involved closing segregated account relationships and providing assistance in the liquidation of its remaining clients, two pooled investment funds:

- Cedar Rock Capital Partners LLC, a limited liability company incorporated in Delaware, USA to which Cedar Rock Capital LLC, (the Firm’s wholly-owned US subsidiary during the Period and until 1 December 2023), acts as managing member; and
- Cedar Rock Capital ICAV (“the ICAV”), an open-ended Irish Collective Asset-Management Vehicle.

The Firm had no assets under management as at 30 April 2023.

As required, staff have been employed and remunerated during the Period as part of the Firm’s wind-down process. No staff have been awarded remuneration subject to these Codes since 31 August 2022.

Remuneration Policy and Practices

As a SNI Firm, the Firm is subject to the basic requirements of the MIFIDPRU Remuneration Code. As an Alternative Investment Fund Manager, the Firm is also classified as a Collective Portfolio Management Investment firm subject to the AIFM Remuneration Code. Together these are referred to as the Codes.

The purpose of the requirements on remuneration is to:

- Promote effective risk management in the long-term interests of a firm and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of the Firm’s remuneration policy and practices has always been to establish, implement and maintain a culture that is consistent with, and promotes, both effective risk management and responsible investment and which does not encourage risk-taking inconsistent with the risk profile of the Firm and the services provided to its clients.

Staff have typically been equity shareholders in the Firm with their shares ranking pari passu in terms of rights to dividends. Remuneration subject to the Codes excludes dividends paid to staff as shareholders of the Firm. The ownership structure, the operation of a single investment strategy and the fact that performance fees were not payable ensured that the long term interests of such staff were aligned with the

overall profitability of the Firm and were not tied to individual financial metrics or the performance of any single client portfolio.

Two external directors of the Firm, both staff subject to the Codes, are neither employees nor shareholders and, therefore, do not receive any salary, bonus or dividends from the Firm. Their firm, Meteora Partners LLP, receives fees for the provision of outsourced services to the Firm.

The members of the governing body of the Firm's subsidiary during the Period and until 1 December 2023, Cedar Rock Capital LLC, are not considered by the Firm to represent staff for the purposes of the Codes. Remuneration arrangements for such persons consist of fixed fees paid for professional services rendered.

Remuneration for staff subject to the Codes comprises a fixed salary reflecting professional experience and operational responsibility required for the role and a statutory pension for staff not opting out. A variable component, consisting of a discretionary bonus for which all employees are eligible may be awarded at the overall discretion of the Directors.

If a discretionary bonus is awarded, the Firm, which operates as a single business unit, takes into account:

- its estimated profitability over the previous accounting/performance period and any anticipated expenditure;
- assessment of the Firm's capital adequacy and liquidity; and
- the performance of the relevant individual, including:
 - (i) their individual contribution to the Firm's overall business results and the Firm's planned closure, and
 - (ii) the non-financial quality of their individual performance against the requirements of their job.

The proportion of variable remuneration to fixed remuneration reflects the need to close the Firm and to complete the liquidation of the remaining client funds in a professional manner.

Governance and Oversight

The Firm's founding and voting shareholder determines remuneration arrangements and individual awards. The Board of Directors provides oversight of the overall remuneration policy and arrangements to ensure that they are consistent with the Firm's level of tolerated risk and to the Codes to which the Firm is subject.

Quantitative Remuneration Disclosures

For the Period, the total amount of remuneration awarded to all staff was £6,382,077 of which £689,317 comprised the fixed component of remuneration, and £5,692,760 comprised the variable component.

*Approved by the Board
3 January 2024*