

# Notice of Annual General Meeting

**Special dividend of 115 pence per Existing Ordinary Share and proposed share consolidation of 41 New Ordinary Shares for every 42 Existing Ordinary Shares**

**Wednesday 24 April 2019 at 12 noon**

**to be held at the Pavilions of Harrogate, Great Yorkshire Showground,  
Harrogate, North Yorkshire HG2 8QZ**

**This document is important and requires your immediate attention.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, bank manager, solicitor or accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your shares in Croda International Plc, you should pass this Notice and accompanying documents to the purchaser or transferee, or to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

You will not have received a hard copy proxy form for the 2019 AGM in the post. You can instead submit your proxy vote electronically by accessing the shareholder portal at [www.signalshares.com](http://www.signalshares.com), logging in and selecting the 'Vote Online Now' link. You will require your username and password in order to log in and vote. If you have forgotten your username or password you can request a reminder via the shareholder portal. If you have not previously registered to use the portal you will require your investor code ('IVC') which can be found on your share certificate or dividend notification. Proxy votes should be submitted as early as possible and in any event, no later than **12 noon on Thursday 18 April 2019**. You may request a hard copy proxy form directly from the Registrars, Link Asset Services by emailing [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk) or by post at Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you hold shares in CREST you can use the CREST electronic proxy appointment service. Further details on how to do this are set out in the Notes to this Notice. Submission of a proxy vote (online or through CREST) or the completion of a hard copy proxy form will not preclude you from attending the AGM and voting in person should you subsequently find that you are able to be present.

In connection with the proposed share consolidation, applications will be made to the Financial Conduct Authority for the New Ordinary Shares arising from the proposed consolidation of the Company's ordinary share capital to be admitted to listing on the premium listing segment of the Official List and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that dealings in the Existing Ordinary Shares will continue until close of business on 26 April 2019 and that admission of the New Ordinary Shares will become effective and dealings for normal settlement will commence at 8.00am on 29 April 2019.

**CRODA**

18 March 2019

Dear Fellow Shareholder

## Annual General Meeting

I am pleased to enclose the Notice convening the forthcoming Annual General Meeting (the 'AGM' or the 'Meeting') for shareholders of Croda International Plc, which will be held on Wednesday 24 April 2019. The AGM will be at the Pavilions of Harrogate, Great Yorkshire Showground, Harrogate, North Yorkshire HG2 8QZ and will commence at 12 noon. The business to be considered at the AGM is set out in the Notice, which you can find on pages 4 to 6 of this document. Explanatory notes on each Resolution to be considered at the AGM appear on pages 7 to 9 of this document.

## Final dividend

Shareholders are being asked to approve a final dividend of 49.0 pence per existing ordinary share of 10.357143 pence each ('Existing Ordinary Shares') for the financial year ended 31 December 2018. If shareholders approve the recommended final dividend, this will be paid on 30 May 2019 to all ordinary shareholders who are on the Register of Members at close of business on 12 April 2019.

## Special Dividend and Share Consolidation

As announced on 26 February 2019, the Board is proposing a special dividend to shareholders of 115 pence per Existing Ordinary Share.

The Board considers returning excess capital to shareholders when leverage falls below the Company's target range of 1.0 to 1.5x (excluding retirement benefit schemes) and sufficient capital is available to meet our investment opportunities. As leverage at the end of 2018 was close to 1x and given the Board's confidence in future cash generation, the Board is proposing the special dividend at this year's AGM. The effect of this return of capital, had it been made in 2018, would have been to increase the 2018 year end leverage towards the upper end of the Board's target range.

The proposed special dividend will be combined with a share consolidation of Existing Ordinary Shares on the basis of 41 new ordinary shares of 10.609756 pence each ('New Ordinary Shares') for every 42 Existing Ordinary Shares. If shareholders approve the special dividend, it will be paid on 30 May 2019 to all ordinary shareholders who are on the Register of Members at close of business on 26 April 2019.

Further details about the special dividend and share consolidation are set out in the Appendix to this Notice.

## The Board of Directors

I would like to take this opportunity to make special mention of Resolutions 4 to 11, which relate to the election and re-election of directors. In accordance with the UK Corporate Governance Code, all directors will be standing for election or re-election this year except for Steve Williams who is retiring at this year's AGM having served nine years on the Board. Roberto Cirillo and Jacqui Ferguson, who were appointed to the Board in April 2018 and September 2018 respectively, are seeking shareholder election for the first time. The Board contains a broad range of skills and experience from different industries and advisory roles and from international markets. These skills support the strategic aims of the Company. A summary of the key strengths and experience of each director and the value they bring to the Board, as well as their biographical details, are set out on pages 44 and 45 of the Company's Annual Report and Accounts or at [www.croda.com](http://www.croda.com). Each of the directors being proposed for election or re-election has been subject to a formal performance evaluation and is considered to be effective in their role and to be committed to making available the appropriate time for Board meetings and other duties. Further details of the performance evaluation are set out in the Corporate Governance report on page 54 of the Annual Report and Accounts.

### **Actions to be taken by shareholders**

Voting on all Resolutions at the AGM will be conducted by way of a poll rather than a show of hands. Poll cards will be distributed to qualifying shareholders when registering attendance at the AGM. Your Board believes that this is more transparent and equitable as the voting intentions of all members are taken into account; not just those who are able to attend the meeting. Voting by way of a poll will give as many shareholders as possible the opportunity to have their votes counted, whether tendered by proxy in advance of, or in person at, the AGM. The results of the poll will be announced via a Regulatory News Service and made available at [www.croda.com](http://www.croda.com) as soon as practicable after the AGM.

Although we like as many shareholders as possible to attend our AGM, I do appreciate that this is not always possible. However, even if you are not able to come to the AGM in person your vote is still important. I would therefore encourage you, regardless of the number of shares you own, to submit your proxy vote to our Registrars as soon as possible but, in any event, no later than 12 noon on 18 April 2019 online at [www.signalshares.com](http://www.signalshares.com) or, if you hold shares in CREST, via the CREST electronic proxy appointment service in accordance with the procedures set out in the Notes to the Notice. Please refer to page 10 of the Notice for further details of how to do this. Submission of a proxy vote will not preclude you from attending the AGM and voting in person should you wish.

### **Recommendation**

Your Board considers all of the proposed Resolutions set out in this Notice to be put to the AGM to be in the best interests of the Company and its shareholders as a whole. Accordingly, the directors unanimously recommend that shareholders vote in favour of the Resolutions, as the directors intend to do in respect of their own shareholdings.

### **Questions and answers**

The AGM provides an opportunity for you to ask questions about the business set out in this Notice and to raise other matters about the business of the Company. I will endeavour to ensure that discussions are kept relevant and that as many shareholders as possible have the opportunity to speak. I do hope that you will be able to attend the Meeting and I look forward to seeing you.

Yours sincerely



**Anita Frew**  
Chair

# Notice of Annual General Meeting

**Holders of ordinary shares are entitled to attend the meeting and vote on all the Resolutions to be proposed at the Annual General Meeting.**

**Notice is hereby given that the ninety-fourth Annual General Meeting (the 'AGM' or the 'Meeting') of Croda International Plc (the 'Company') will be held at the Pavilions of Harrogate, Great Yorkshire Showground, Harrogate, North Yorkshire HG2 8QZ on Wednesday 24 April 2019 at 12 noon.**

You will be asked to consider and, if thought fit, to pass the Resolutions set out below (the 'Resolutions'), of which Resolutions numbered 1 to 15 (inclusive) will be proposed as Ordinary Resolutions and Resolutions numbered 16 to 20 (inclusive) will be proposed as Special Resolutions.

As a member of the Company, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Meeting.

1. To receive the financial statements of the Company and the Group and the reports of the directors and auditors for the year ended 31 December 2018.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2018, in accordance with section 439 of the Companies Act 2006 (the 'Act').
3. To declare a final dividend of 49.0 pence per existing ordinary share of 10.357143 pence each.
4. To elect R Cirillo as a director.
5. To re-elect A M Ferguson as a director.
6. To elect J P C Ferguson as a director.
7. To re-elect S E Foots as a director.
8. To re-elect A M Frew as a director.
9. To re-elect H L Ganczakowski as a director.
10. To re-elect K Layden as a director.
11. To re-elect J K Maiden as a director.
12. To re-appoint KPMG LLP as auditors of the Company to hold office until the conclusion of the next general meeting of the Company at which accounts are laid.
13. To authorise the Company's Audit Committee to determine the remuneration of the auditors on behalf of the directors.

## Political donations

14. The Company, and any company which is or becomes its subsidiary during the period in which this Resolution has effect, be authorised for the purpose of Part 14 of the Act, during the period from the date of the passing of this Resolution until the conclusion of the Company's next annual general meeting, to:
- i. make political donations to political parties and/or independent election candidates, not exceeding £50,000 in total;
  - ii. make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
  - iii. incur political expenditure, not exceeding £50,000 in total.

This is provided that any such donations and expenditure made by the Company or by any such subsidiary during the period in which this Resolution has effect shall not exceed £50,000 in aggregate.

For the purposes of this Resolution the terms 'political donations', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Act.

## Directors' authority to allot shares

15. The directors, pursuant to section 551 of the Act, be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for, or convert any security into, shares in the Company:
- i. up to an aggregate nominal amount of £4,504,563; and
  - ii. comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £9,009,126 (including within such limit any shares or rights issued or granted under paragraph (i) above) in connection with an offer by way of a rights issue:
    - a. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

- b. to holders of other equity securities as required by the rights of those securities or, if permitted by the rights of those securities, as the Board otherwise considers necessary,

and so that the directors may impose any limits or restrictions and make any arrangements that they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply from the conclusion of this AGM until (unless previously renewed, varied or revoked by the Company in a general meeting) the earlier of (i) the conclusion of the next annual general meeting of the Company, and (ii) the close of business on 24 July 2020 provided that, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares in the Company to be allotted or rights to subscribe for, or convert securities into, shares to be granted, after the authority ends and the directors may allot shares or grant rights to subscribe for, or convert securities into, shares under any such offer or agreement as if the authority had not ended.

## Disapplication of pre-emption rights

16. That subject to the passing of Resolution 15 in this Notice, the directors be generally empowered from the conclusion of this AGM pursuant to section 570 and 573 of the Act to allot equity securities (as defined in the Act) for cash, pursuant to the authority conferred by Resolution 15 in this Notice as if section 561(1) of the Act did not apply to the allotment. This power:
- i. expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 24 July 2020), but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired;

# Notice of Annual General Meeting (continued)

ii. shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph (ii) of Resolution 15, by way of rights issue only):

- a. to the ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- b. to people who hold other equity securities, if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

iii. in the case of the authority granted under paragraph (i) of Resolution 15 or a sale of treasury shares shall be limited to the allotment of equity securities for cash otherwise than pursuant to paragraph (ii) up to an aggregate nominal value of £682,510.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this Resolution the words “pursuant to the authority conferred by Resolution 15” in this Notice were omitted.

**17.** Subject to the passing of Resolution 15 in this Notice and in addition to any power given pursuant to Resolution 16 in this Notice, the directors be generally empowered from the conclusion of this AGM pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in the Act) for cash, pursuant to the authority conferred by Resolution 15 in this Notice as if section 561(1) of the Act did not apply to the allotment. This power:

- i. expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 24 July 2020), but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired; and
- ii. in the case of the authority granted under paragraph (i) of Resolution 15 or a sale of treasury shares shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £682,510 and provided that the allotment is for the purposes of financing (or refinancing if the power is used within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Pre-emption Group’s Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this Notice.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this Resolution the words “pursuant to the authority conferred by Resolution 15” in this Notice were omitted.

## Company’s authority to purchase its own shares

**18.** The Company be authorised generally and unconditionally in accordance with section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of its own ordinary shares, provided that:

- i. the maximum number of ordinary shares hereby authorised to be purchased is (i) if Resolution 20 is passed and becomes effective, 12,865,697 ordinary shares of 10.609756 pence each in the capital of the Company (‘New Ordinary Shares’), or (ii) if Resolution 20 is not passed or does not become effective, 13,179,493 ordinary shares of 10.357143 pence each in the capital of the Company (‘Existing Ordinary Shares’);

ii. the minimum price (excluding expenses) which the Company may pay for each ordinary share is (i) if Resolution 20 is passed and becomes effective, 10.609756 pence (being the nominal value of a New Ordinary Share), or (ii) if Resolution 20 is not passed or does not become effective 10.357143 pence (being the nominal value of an Existing Ordinary Share);

iii. the maximum price (excluding expenses) which the Company may pay for each ordinary share is the higher of (i) an amount equal to 105% of the average of the middle market quotations of an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased, and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out;

iv. such authority shall, unless previously renewed, revoked or varied, expire at the earlier of (i) the conclusion of the next annual general meeting of the Company, and (ii) 24 October 2020; and

v. the Company may, pursuant to the authority granted by this Resolution, enter into a contract to purchase such ordinary shares before the expiry of this authority which would or might be concluded wholly or partly after such expiry and may make a purchase of ordinary shares in pursuance of such contract as if the authority had not expired.

# Notice of Annual General Meeting (continued)

## Notice period for shareholders' meetings

19. That a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice, provided that the authority for this Resolution shall expire at the conclusion of the next annual general meeting of the Company.

## Special dividend and share consolidation

- 20.i. To declare a special dividend of 115 pence per Existing Ordinary Share; and
- ii. that subject to and conditional upon admission of the New Ordinary Shares to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange becoming effective, every 42 Existing Ordinary Shares in issue as at close of business on 26 April 2019 (or such other time and date as the directors may determine), including those held in treasury, be consolidated into 41 New Ordinary Shares of 10.609756 pence each, provided that, where such consolidation results in any member being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of New Ordinary Shares to which other members of the Company may be entitled, and the directors be and are hereby authorised to sell (or appoint any other person to sell to any person), on behalf of the relevant members, all the New Ordinary Shares representing such fractions at the best price reasonably obtainable and to remit the aggregate proceeds (net of expenses) in due proportion to the relevant members entitled thereto.

## By Order of the Board

### Tom Brophy

Group General Counsel and Company  
Secretary  
18 March 2019

Registered Office:  
Cowick Hall  
Snaith  
Goole  
East Yorkshire  
DN14 9AA

Registered in England and Wales No: 206132

# Explanatory notes

## 1. Resolution 1 – Financial statements

The directors are required to present to the AGM the Company's and the Group's audited financial statements and the directors' and auditors' reports for the financial year ended 31 December 2018. These are contained within the Annual Report and Accounts and include the strategic report.

## 2. Resolutions 2 – Directors' Remuneration Report

The Directors' Remuneration Report, which may be found on pages 69 to 89 of the Annual Report and Accounts, gives details of the directors' remuneration for the year ended 31 December 2018. The Company's auditors for the year ended 31 December 2018, KPMG LLP, have audited those parts of the Directors' Remuneration Report capable of being audited and their report may be found on page 94 of the Annual Report and Accounts. The Directors' Remuneration Policy (which is summarised on pages 88 and 89 of the Annual Report and Accounts) was approved at the 2017 AGM and does not form part of the Directors' Remuneration Report being considered in Resolution 2.

The vote on the Directors' Remuneration Report is advisory in nature in that payments made or promised to directors will not have to be repaid, reduced or withheld in the event that Resolution 2 is not passed.

## 3. Resolution 3 – Declaration of dividend

The directors are recommending that the ordinary shareholders declare a final dividend of 49.0 pence per Existing Ordinary Share in respect of the year ended 31 December 2018. The final dividend declared may not exceed the amount recommended by the directors and must be approved by the ordinary shareholders. If approved, the final dividend will be paid on 30 May 2019 to ordinary shareholders who are on the Register of Members at close of business on 12 April 2019.

## 4. Resolutions 4 to 11 – Election and re-election of directors

These Resolutions concern the appointment and re-appointment of directors. All directors are standing for election and re-election at this AGM in accordance with the UK Corporate

Governance Code, with the exception of Steve Williams who is retiring at this year's AGM having served nine years on the Board. Roberto Cirillo and Jacqui Ferguson, who were appointed to the Board in April 2018 and September 2018 respectively, are seeking shareholder election for the first time. Biographical details of the directors appear on pages 44 and 45 of the Annual Report. With the exception of Keith Layden, the Board considers that all non-executive directors are independent in character and judgement. Keith Layden is not considered independent, having served as the Company's Chief Technology Officer prior to retirement from the Company and appointment as a non-executive director in May 2017. This follows a formal performance evaluation during the year that confirmed that each of the directors makes an effective and valuable contribution to the Board and demonstrates commitment to the role (including making sufficient time available for Board and committee meetings and other duties as requested). The Board is recommending that shareholders should elect or re-elect the directors, as the case may be.

## 5. Resolutions 12 and 13 – Appointment and remuneration of auditors

The Company is required to appoint auditors at each general meeting at which accounts are presented to shareholders. Resolution 12 proposes the re-appointment of KPMG LLP as the Company's auditors until the conclusion of the next AGM. It is normal practice for a company's directors to be authorised to determine the level of the auditors' remuneration for the ensuing year. Resolution 13 proposes to give such authority to the Company's Audit Committee on behalf of the directors.

## 6. Resolution 14 – Political donations

This Resolution enables the directors to incur expenditure of up to £50,000 in aggregate in respect of the activities identified in Resolution 14 (including any such expenditure by a subsidiary company) without unintentionally breaching the provisions of the Act. It is not proposed or intended to alter the Company's policy of not making political donations, within the normal meaning of that expression. However, without the

authorisation contained in this Resolution, some of the Company's activities may inadvertently fall within the prohibition contained in the Act and the Company's ability to communicate its views effectively to political audiences and to relevant interest groups could therefore be inhibited without such authority. The authority sought will, if granted, last until the conclusion of the next annual general meeting of the Company when the directors intend to seek renewal of this authority. The Company will continue its policy of not giving any cash contributions to any political party. Any expenditure which may be incurred under authority of this Resolution will be disclosed in next year's Annual Report. During 2018, no donations were made by the Company or any of its subsidiaries for political purposes.

## 7. Resolution 15 – Renewal of directors' authority to allot shares

Under section 551 of the Act, the directors of the Company may only allot shares or grant rights to subscribe for or convert any securities into shares if authorised to do so by shareholders. The Company's Articles of Association give a general authority to the directors to allot shares.

This Resolution, which complies with guidance issued by the Investment Association (the 'IA'), will, if passed, authorise the directors to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to:

- i. an aggregate nominal amount of £4,504,563 (representing approximately 33% of the issued share capital, excluding shares held in treasury, as at 6 March 2019 (the latest practicable date prior to publication of this Notice) and which will be equivalent to approximately 33% of the expected issued ordinary share capital of the Company (excluding treasury shares) if Resolution 20 is passed and the share consolidation becomes effective); and
- ii. up to an additional nominal amount not exceeding £4,504,563 in the case of allotments in connection with a rights issue. As at 6 March 2019, this additional authority represents approximately 33% of the issued ordinary share capital, excluding shares held in treasury, and will be equivalent

# Explanatory notes (continued)

to approximately 33% of the expected issued ordinary share capital of the Company (excluding treasury shares) if Resolution 20 is passed and the share consolidation becomes effective.

This brings the aggregate authority for allotments in connection with a rights issue to approximately 66% of the issued ordinary share capital as at 6 March 2019, excluding shares held in treasury, which will be equivalent to approximately 66% of the expected issued ordinary share capital of the Company (excluding treasury shares) if Resolution 20 is passed and the share consolidation becomes effective.

As at 6 March 2019, the Company held 3,329,174 ordinary shares in treasury, representing 2.53% of the issued ordinary share capital of the Company, excluding shares held in treasury as at that date.

The directors have no present intention to exercise either of the authorities sought under this Resolution, other than where set out in the Notice. However, the directors may consider doing so if they believe it would be appropriate in respect of business opportunities that may arise consistent with the Company's strategic objectives. The authorities will last until the earlier of (i) the conclusion of the next annual general meeting of the Company and (ii) 24 July 2020.

## 8. Resolution 16 and 17 – Disapplication of pre-emption rights

If the directors wish to allot shares, or grant rights to subscribe for, or convert securities into, shares, or sell treasury shares for cash (other than pursuant to an employee share scheme), they must first offer them to existing shareholders in proportion to their holdings. There may be occasions when the directors need the flexibility to finance business opportunities by allotting shares without a pre-emptive offer to existing shareholders, and this can be done if the shareholders have first given a limited waiver of their pre-emption rights. Resolution 16 and Resolution 17 ask shareholders to grant this limited waiver. The Resolutions will be proposed as Special Resolutions.

Resolution 16 contains a two-part waiver. One part is limited to the allotment of shares for cash up to an aggregate nominal value of £682,510 (which includes the sale on a non-pre-emptive basis of any shares

held in treasury), which represents approximately 5% of the issued ordinary share capital, excluding shares held in treasury, as at 6 March 2019 (the latest practicable date before the publication of this Notice) and which will be equivalent to approximately 5% of the expected ordinary share capital of the Company (excluding treasury shares) if Resolution 20 is passed and the share consolidation becomes effective. The other part is limited to the allotment of shares for cash in connection with a pre-emptive rights issue so as to allow the directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example, might arise in relation to overseas shareholders. The waiver granted by Resolution 17 is in addition to the waiver granted by Resolution 16(ii). It is limited to the allotment of shares for cash up to an aggregate nominal value of £682,510 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents a further 5% (approximately) of the issued ordinary share capital, excluding shares held in treasury, as at 6 March 2019 (the latest practicable date before the publication of this Notice) and which will be equivalent to approximately 5% of the expected issued ordinary share capital of the Company (excluding treasury shares) if Resolution 20 is passed and the share consolidation becomes effective. This further waiver may only be used for an allotment of shares for cash for the purposes of financing (or refinancing, if the waiver is used within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Pre-emption Group's Statement of Principles.

The directors do not intend, in any three year rolling period, to issue more than 7.5% of the issued ordinary share capital for cash on a non-pre-emptive basis, in accordance with the Pre-emption Group's Statement of Principles.

If the Resolutions are passed, the waivers will expire at the end of the next annual general meeting of the Company after the date on which this Resolution is passed (or, if earlier, at the close of business on 24 July 2020).

## 9. Resolution 18 – Company's authority to purchase its own shares

Resolution 18 is a Special Resolution seeking to renew the authority granted at the 2018 AGM to purchase by way of market purchases up to 10% of the Company's issued ordinary shares (excluding treasury shares). The Company is seeking authority to make market purchases of up to (i) if Resolution 20 is passed and becomes effective, 12,865,697 New Ordinary Shares (being approximately 10 per cent. of the expected number of ordinary shares in issue of the Company (excluding treasury shares) immediately after the share consolidation) or (ii) if Resolution 20 is not passed or does not become effective, 13,179,493 Existing Ordinary Shares (being approximately 10 per cent. of the number of ordinary shares in issue of the Company (excluding treasury shares) as at 6 March 2019, the latest practicable date prior to the publication of this Notice). The maximum price to be paid on any occasion for each ordinary share will be the higher of (a) an amount equal to 105% of the average of the middle market quotations of an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased, and (b) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price to be paid on any occasion for each ordinary share will be (i) if Resolution 20 is passed and becomes effective, 10.609756 pence (being the nominal value of a New Ordinary Share), or (ii) if Resolution 20 is not passed or does not become effective, 10.357143 pence (being the nominal value of an Existing Ordinary Share). In exercising this authority the directors will comply with the rules of the London Stock Exchange and the IA guidelines on the purchase of own shares. This authority will expire on the date of the earlier of (i) the next annual general meeting of the Company, and (ii) 24 October 2020.

As at 6 March 2019 (the latest practicable date prior to publication of this Notice) the full exercise of all options and satisfaction of all awards outstanding under the Company's employee share plans would



## Explanatory notes (continued)

require the issue of 765,891 ordinary shares. This represents approximately 0.58% of the Company's issued ordinary share capital (excluding treasury shares) on that date and will be equivalent to approximately 0.60% of the expected issued ordinary share capital of the Company (excluding treasury shares) if Resolution 20 is passed and the share consolidation becomes effective.

In the event that the proposed new authority to repurchase shares were to be exercised in full, these options and awards would represent (i) if Resolution 20 is passed and becomes effective, 0.66% of the Company's expected issued ordinary share capital (excluding treasury shares) or (ii) if Resolution 20 is not passed or does not become effective, 0.65% of the Company's issued ordinary share capital (not including treasury shares).

The directors will only purchase the Company's shares from the market if they believe that such purchases will improve earnings per share and will be in the best interests of the shareholders generally. It is the intention of the directors that any such shares purchased will be held as treasury shares. Shares held in treasury may subsequently be sold for cash, transferred for the purposes of employee share schemes or cancelled. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively and provide the Company with additional flexibility in the management of its capital base.

### **10. Resolution 19 – Notice period for shareholders' meetings**

The Act requires that all general meetings must be held on 21 clear days' notice unless shareholders agree to a shorter notice period which is subject to a minimum of 14 clear days. In order to be able to call a general meeting on less

than 21 clear days' notice the Company must make an electronic means of voting available to all shareholders for the meeting. This condition is met by the Company providing the facility for shareholders to appoint a proxy via an online shareholder portal operated by our Registrars. It is not the Company's intention to use the shorter notice period as a matter of routine but only when the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. If given, this approval will be effective until the end of the next AGM.

### **11. Resolution 20 – Special dividend and share consolidation**

The directors are recommending that the ordinary shareholders declare a special dividend of 115 pence per Existing Ordinary Share. The special dividend is being combined with a share consolidation of Existing Ordinary Shares on the basis of 41 New Ordinary Shares for every 42 Existing Ordinary Shares. The share consolidation is intended, as far as possible, to maintain the comparability of the Company's share price before and after the special dividend. Accordingly, shareholders are being asked to approve the special dividend and the share consolidation by way of a single combined special resolution. The special dividend and share consolidation are conditional on the New Ordinary Shares being admitted to the premium segment of the Official List of the Financial Conduct Authority and being admitted to trading on the main market of the London Stock Exchange.

If shareholders do not approve Resolution 20, including the share consolidation, then the special dividend will not be paid.

Further details on the special dividend and share consolidation are set out in the Appendix.

# Notes

## 1. Entitlement to attend and vote

To be entitled to speak, attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on 18 April 2019 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the Meeting.

## 2. Appointment of proxies

- i. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company.
- ii. You will not have received a hard copy proxy form for the 2019 AGM in the post. You can instead submit your proxy vote electronically by accessing the shareholder portal at [www.signalshares.com](http://www.signalshares.com), logging in and selecting the 'Vote Online Now' link. You will require your username and password in order to log in and vote. If you have forgotten your username or password you can request a reminder via the shareholder portal. If you have not previously registered to use the portal you will require your investor code ('IVC') which can be found on your share certificate or dividend notification. Proxy votes should be submitted as early as possible and in any event, no later than 12 noon on Thursday 18 April 2019. You may request a hard copy proxy form directly from the Registrars, Link Asset Services by emailing [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk) or by post at Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. To be valid, any hard copy proxy form must be received by post or (during normal business hours only) by hand at the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 12 noon on Thursday 18 April 2019.

iii. If you hold shares in CREST you can vote by using the CREST electronic proxy appointment service. Further details on how to do this are set out in paragraph 3 below.

- iv. The submission of a proxy vote (online or through CREST) or the return of a hard copy proxy form will not prevent you attending the AGM and voting in person should you wish. In accordance with section 149 of the Act, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Act (a 'Nominated Person'). Any Nominated Person to whom this Notice is sent may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right, or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- v. The statement of the rights of shareholders in relation to the appointment of proxies above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

## 3. Electronic proxy voting through CREST

- i. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- ii. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual

(available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 12 noon on 18 April 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- iii. CREST members and, where applicable, their CREST sponsors, or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- iv. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## 4. Voting rights

As at 6 March 2019 (being the last practicable date before the publication of this Notice) the Company's issued ordinary share capital consisted of 135,124,108 Existing Ordinary Shares, carrying one vote each. Croda

## Notes (continued)

International Plc holds 3,329,174 Existing Ordinary Shares in treasury and so the total number of voting rights in the Company at that date was 131,794,934.

### 5. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if there is more than one corporate representative, they do not do so in relation to the same shares. Any person appointed as a corporate representative should bring a certified copy of the authority under which they have been appointed to the meeting.

### 6. Website publication of audit concerns

Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

### 7. Questions

Any member attending the Meeting or any proxy or corporate representative attending the Meeting on behalf of a member has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests

of the Company or the good order of the Meeting that the question be answered.

### 8. Website

A copy of this Notice, and other information required by section 311A of the Act, can be found on the Company's website at [www.croda.com/AGM](http://www.croda.com/AGM).

### 9. Inspection of documents

The following documents are available for inspection at the registered office of the Company during normal business hours on any business day, and will also be available for inspection during the AGM and for 15 minutes beforehand:

- i. Copies of the service contracts of the executive directors; and
- ii. Letters of appointment of the non-executive directors.

### 10. Addresses

You may not use any electronic address provided in either this Notice or any related documents to communicate with the Company for any purposes other than those expressly stated.

### 11. Shareholders' statement and AGM business

Under section 338 and section 338A of the Act, shareholders meeting the threshold requirements in those sections have the right to require the Company (i) to give to shareholders of the Company entitled to receive this Notice, notice of a resolution which may properly be moved and is intended to be moved at the AGM and/or (ii) to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory, or (c) it is frivolous or vexatious. Such a request may be in hard copy or electronic form and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 11 March 2019, being the date six clear weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

# Appendix

## Expected Timetable for the Final Dividend and Special Dividend and Share Consolidation

Ex dividend date for final dividend	Thursday 11 April 2019
Record date for final dividend	Close of business on Friday 12 April 2019
Latest time and date for receipt of proxy votes from shareholders	12 noon on Thursday 18 April 2019
Annual general meeting	12 noon on Wednesday 24 April 2019
Record date for special dividend and share consolidation	Close of business on Friday 26 April 2019
Last day for dealing in Existing Ordinary Shares	Friday 26 April 2019
Ex-dividend date for special dividend	Monday 29 April 2019
Commencement of dealings in New Ordinary Shares	8.00am on Monday 29 April 2019
CREST accounts credited with New Ordinary Shares	As soon as possible after 8.00am on Monday 29 April 2019
Latest time and date for election to participate in DRIP for final dividend	5.00pm on Tuesday 30 April 2019
Latest time and date for election to participate in DRIP for special dividend	5.00pm on Monday 13 May 2019
Despatch of cheques for fractional entitlements for New Ordinary Shares; despatch of certificates of New Ordinary Shares; CREST accounts credited with value of fractional entitlements (in each case where applicable)	By Friday 17 May 2019
Payment date for final dividend and special dividend	Thursday 30 May 2019
Purchase of new ordinary shares for DRIP participants with respect to final and special dividend will commence on	Thursday 30 May 2019
Despatch of share certificates and crediting of CREST accounts in relation to DRIP purchases	On or after 3 June 2019

### Notes:

- References to times in this document are to London, UK times.
- References to close of business in this document shall refer to such time as the reconciliation exercise within CREST has been completed for that day.
- If any of the above times and/or dates change, the revised times and/or dates will be notified to shareholders by an announcement to a Regulatory Information Service.
- All events shown in the above timetable scheduled to take place after the AGM in respect of the special dividend and the share consolidation are conditional on the approval by shareholders of Resolution 20 as proposed. The despatch of certificates for New Ordinary Shares (where applicable) and the payment of the special dividend and fractional entitlements (where applicable) are conditional upon the New Ordinary Shares being admitted to the premium segment of the Official List of the Financial Conduct Authority and being admitted to trading on the main market of the London Stock Exchange.

## Further Details of the Special Dividend and Share Consolidation

### 1. Special Dividend

As announced on 26 February 2019, the Board is proposing a special dividend of approximately £150 million representing 115 pence per Existing Ordinary Share.

The Board considers returning excess capital to shareholders when leverage falls below the Company's target range of 1.0 to 1.5x (excluding retirement benefit schemes) and sufficient capital is available to meet our investment opportunities. As leverage at the end of 2018 was close to 1x and given the Board's confidence in future cash generation, the Board is proposing the special dividend at this year's AGM. The effect of this return of capital, had it been made in 2018, would have been to increase the 2018 year end leverage towards the upper end of the Board's target range.

If shareholders approve the special dividend, it will be paid on 30 May 2019 to all ordinary shareholders who are on the Register of Members at close of business on 26 April 2019. If shareholders do not approve

Resolution 20, the special dividend will not be paid and the share consolidation will not take place. However, subject to the passing of Resolution 3, the final dividend of 49.0 pence per Existing Ordinary Share will still be paid even if the special dividend and share consolidation are not approved.

### 2. Dividend Reinvestment Plan

Link Asset Services currently operates a Dividend Reinvestment Plan ('DRIP') on behalf of the Company, under which eligible shareholders may use their dividends to buy additional shares in the Company. Current DRIP elections will be applied to the final dividend and the special dividend payments. Eligible shareholders who do not currently participate in the DRIP and who wish to participate in time for the final dividend and/or special dividend will need to submit a completed application form to the Registrar by no later than (i) in the case of the final dividend, 5.00pm on 30 April 2019; and (ii) in the case of the special dividend, 5.00pm on 13 May 2019. Conversely, shareholders who

currently participate in the DRIP but who wish to make any changes to their existing DRIP elections in advance of the final dividend and/or special dividend will need to notify the Registrar by no later than (i) in the case of the final dividend, 5.00pm on 30 April 2019; and (ii) in the case of the special dividend, 5.00pm on 13 May 2019. All existing instructions relating to the DRIP will operate in respect of the New Ordinary Shares.

CREST shareholders should complete a Dividend Election Input Message in order to participate in the DRIP for the final and special dividend.

### 3. Share Consolidation

The proposed special dividend will be combined with a share consolidation of Existing Ordinary Shares on the basis of 41 New Ordinary Shares for every 42 Existing Ordinary Shares. The share consolidation is intended, as far as possible, to maintain the comparability of the Company's share price before and after the special dividend. Accordingly, shareholders are being asked

## Appendix (continued)

to approve the special dividend and share consolidation by way of a single combined special resolution as set out in Resolution 20 of the Notice.

The total amount of the special dividend is equivalent to approximately 2.37% of the market capitalisation of the Company as at 6 March 2019 (being the latest practicable date prior to the publication of the Notice convening the AGM). The effect of the share consolidation will be to reduce the number of ordinary shares in issue by approximately the same percentage, with the result that shareholders on the register at close of business on 26 April 2019 will, on completion of the share consolidation, receive 41 New Ordinary Shares for every 42 Existing Ordinary Shares. It is anticipated, therefore, that, absent any market movements, the market price of each ordinary share should remain at a broadly similar level following the special dividend and the share consolidation.

Although following the share consolidation each shareholder will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares previously held, shareholders will still hold the same proportion of the Company's ordinary share capital as before the share consolidation (subject to any fractional entitlements and DRIP elections). Whilst the New Ordinary Shares will have a different nominal value, they will carry equivalent rights under the Company's articles of association to the Existing Ordinary Shares currently in issue. Mandates and other instructions for the payments of dividends will, unless and

until revoked, continue to apply to the New Ordinary Shares.

Shareholders with a holding of Existing Ordinary Shares that is not exactly divisible by 42 will be left with an entitlement to a fraction of a New Ordinary Share. Fractions of New Ordinary Shares will not be allotted to shareholders; instead the shares representing the fractions of New Ordinary Shares will be aggregated and sold for the best price reasonably obtainable on behalf of the shareholders entitled to the fractions as soon as practicable after the share consolidation. The net proceeds of the sale, after the deduction of the expenses of the sale, will be distributed in due proportion among the relevant shareholders.

The payment of any fractional amounts arising from the share consolidation will be despatched by cheque or by CREST payment by 17 May 2019. CREST shareholders will receive any fractional entitlement payment via their CREST accounts. Non-CREST shareholders, regardless of whether they have an existing bank or building society account, will receive a cheque for any fractional entitlement. Shareholders who hold fewer than 42 Existing Ordinary Shares will still have their shareholding consolidated and their shareholding will be dealt with in accordance with the procedure for fractional entitlements to New Ordinary Shares described above. For purely illustrative purposes, examples of the effect of the share consolidation and the special dividend in respect of certain holdings of Existing Ordinary Shares are set out below.

To effect the share consolidation it may be necessary to issue or repurchase for cancellation such minimum number of Existing Ordinary Shares so that the number of the Company's Existing Ordinary Shares is exactly divisible by 42.

Following the share consolidation and assuming no further shares are issued or repurchased between the date of the Notice convening the AGM and the share consolidation becoming effective, other than as necessary to ensure that the number of the Company's Existing Ordinary Shares is exactly divisible by 42, the Company's issued ordinary share capital will comprise 131,906,881 New Ordinary Shares (including treasury shares). No change in the total aggregate nominal value of the Company's issued share capital is expected to occur.

If the share consolidation is approved pursuant to Resolution 20, the Company will send holders of certificated Existing Ordinary Shares new share certificates in respect of the New Ordinary Shares. The new share certificates will be sent by 17 May 2019 by pre-paid first class post, at the risk of the relevant holder of ordinary shares, to the registered address of that holder or, in the case of joint holders, to the holder whose name appears first in the register of members. Share certificates for existing ordinary shares will no longer be valid and should be destroyed once the new certificate is received. Pending the receipt of new certificates, transfers of New Ordinary Shares held in certificated form will be certified against the Company's Register of Members.

Shareholders who hold their entitlement in uncertificated form through CREST will have their CREST accounts adjusted to reflect their entitlement to new ordinary shares on 29 April 2019. The existing ISIN (GB00BYZWX769) will be disabled at close of business on Friday 26 April 2019 with ISIN (GB00BJFFLV09), in respect of the New Ordinary Shares of 10.609756 pence each, becoming effective at 8.00 am on Monday 29 April 2019.

If the share consolidation is approved pursuant to Resolution 20, trading in New Ordinary Shares on the main market of the London Stock Exchange is expected to commence on an ex-dividend and post-consolidation basis at 8.00 am on 29 April 2019.

No. of Existing Ordinary Shares	No. of New Ordinary Shares	Fractional entitlement	Value of fractional entitlement (£)*	Special dividend (£)
5	4	0.88095	42.72	5.75
30	29	0.28571	13.85	34.50
40	39	0.04762	2.31	46.00
50	48	0.80952	39.25	57.50
100	97	0.61905	30.02	115.00
1000	976	0.19048	9.24	1150.00

\* Based on an implied value of a New Ordinary Share as at 6 March 2019.

## Appendix (continued)

If shareholders do not approve Resolution 20, then the special dividend will not be paid and the share consolidation will not take place.

### 4. Employee Share Schemes

Participants in the Company's share plans will receive separate communications with respect to the effect of the proposed special dividend and share consolidation.

It is anticipated that the trustees of the Company's employee benefit trusts will, in accordance with the terms of the trusts, waive their entitlement to the special dividend in respect of their holdings of Existing Ordinary Shares.

### 5. Further Information

For further information please contact Link Asset Services at Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or the Shareholder Helpline on 0371 6640321 between 9.00am and 5.30pm Monday to Friday (except UK public holidays).

Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls may be recorded and monitored for security and training purposes.

For legal reasons Link Asset Services will not be able to provide advice on the merits of the special dividend or share consolidation or to provide financial, tax or investment advice.

### 6. Taxation

The following summary is intended as a general guide only and relates only to certain limited aspects of the UK taxation treatment of the special dividend, the related share consolidation and the DRIP. It is based on current UK tax law and what is understood to be the current practice of HM Revenue & Customs as of the latest practicable date before the publication of this Notice, either of which may change, possibly with retrospective effect. It applies only to shareholders who are resident and, in the case of an individual, domiciled for tax purposes in the UK, who are the absolute beneficial owners of their shares and any dividends paid on them, and hold them as an investment (but not through an individual savings account or self-invested personal pension). The tax position of certain

categories of shareholders who are subject to special rules (such as persons acquiring or holding their shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own independent tax advisers.

#### A. Special Dividend

The Company is not required to withhold tax when paying a dividend. Liability to tax on the special dividend will depend upon the individual circumstances of a shareholder.

#### UK resident individual shareholders

An individual shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will not be liable to UK tax to the extent that (taking account of any other dividends received in the same tax year) that dividend falls within the nil rate allowance, being the first £2,000 of taxable dividend income in a tax year, or their personal allowance.

To the extent that (taking account of any other dividends received by the shareholder in the same tax year) the dividend does not fall within the nil rate allowance or personal allowance, it will be subject to income tax at 7.5% (to the extent it is within the basic rate band), 32.5% (to the extent it is within the higher rate band) or 38.1% (to the extent it is within the additional rate band). For the purpose of determining which of the bands dividend income falls within, (i) dividend income will generally be treated as the top slice of a shareholder's income and (ii) dividends falling within the nil rate allowance that would otherwise have fallen within the basic or higher rate bands will be deemed to have used up those bands to that extent, and may therefore still affect the rate of tax payable on dividend income exceeding the nil rate allowance.

#### UK resident corporate shareholders

UK resident corporate shareholders which are "small companies" (for the purposes of UK taxation of dividends) will not generally be subject to tax on dividends from the Company. However, it should be noted that the "small companies" dividend exemption is subject to anti-avoidance rules. Shareholders

within the charge to corporation tax should consult their own independent tax advisers.

Other UK resident corporate shareholders will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and certain conditions are met. However, it should be noted that the exempt classes are not comprehensive and are also subject to anti-avoidance rules. Shareholders within the charge to corporation tax should consult their own independent tax advisers.

#### B. Share Consolidation

It is expected that for the purposes of UK taxation on chargeable gains, the share consolidation will be treated as follows:

- i. The new ordinary shares arising from the share consolidation will result from a reorganisation of the share capital of the Company. Accordingly, to the extent that a shareholder receives New Ordinary Shares, the shareholder will not generally be treated as making a disposal of all or part of his or her holding of Existing Ordinary Shares by reason of the share consolidation being implemented, and the New Ordinary Shares which replace a shareholder's holding of Existing Ordinary Shares as a result of the share consolidation (the new holding) will be treated as the same asset acquired at the same time as the shareholder's holding of Existing Ordinary Shares was acquired.
- ii. To the extent that a shareholder receives cash by virtue of a sale on his or her behalf of any New Ordinary Shares to which he or she has a fractional entitlement, the shareholder will not, in practice, normally be treated as making a part disposal of his or her holding of Existing Ordinary Shares, the proceeds instead being deducted from the base cost of the shareholder's new holding. HM Revenue & Customs will generally apply this practice provided that either the cash receipts are less than £3,000 or it does not constitute more than 5% of the value of the Existing Ordinary Shares. Where there is a disposal which is not deducted from base cost or if those proceeds exceed that base cost, or where a shareholder holds only one Existing Ordinary Share at the date on which entitlement to a special dividend and share

## Appendix (continued)

consolidation becomes effective and accordingly is not entitled to any New Ordinary Shares on the share consolidation, the shareholder will be treated as disposing of part or all of their holding of Existing Ordinary Shares and will be subject to tax in respect of any chargeable gains thereby realised.

- iii. On a subsequent disposal of New Ordinary Shares comprised in the new holding, a shareholder may, depending on their individual circumstances (including the availability of exemptions, reliefs and allowable losses), be subject to tax on the amount of any chargeable gain realised.

### DRIP

UK resident shareholders who elect to use the cash special dividend to buy additional shares under the DRIP operated by the Company will be treated for income tax purposes (in the case of UK resident individual shareholders) and corporation tax purposes (in the case of UK resident corporate shareholders) in the same manner as if they received the special dividend in cash.

For the purposes of UK taxation on chargeable gains, the cost of the additional shares acquired with the special dividend, including any dealing charges and stamp duty or stamp duty reserve tax, should be the base cost of the additional shares purchased on the shareholder's behalf.

### Transactions in securities: Anti-avoidance

Under the provisions of Chapter 1 of Part 13 of the Income Tax Act 2007 (for income tax purposes) and Part 15 of the Corporation Tax Act 2010 (for corporation tax purposes), in each case as amended, HM Revenue & Customs can, in certain circumstances, counteract tax advantages arising in relation to certain transactions in securities. The Company has not sought and will not seek clearance on behalf of shareholders in respect of the special dividend and the share consolidation in relation to the applicability of these provisions.

Shareholders are advised to take independent advice on the potential application of these sections in light of their own particular circumstances.

### Stamp taxes

No liability to stamp duty or stamp duty reserve tax should be incurred by a holder of existing ordinary shares as a result of the proposed consolidation. However, dealing costs, including stamp duty or stamp duty reserve tax, may arise for those shareholders who elect to use the cash special dividend to buy additional shares under the DRIP operated by the Company.

# AGM information

## Attending the Meeting

You may find it useful to bring this Notice and the 2018 Annual Report and Accounts in order that you may refer to them in the Meeting. All joint shareholders may attend and speak at the AGM. However, it is only the most senior shareholder by reference to the Register of Members and in attendance who is entitled to vote.

Confirmation of name and address should be sufficient to facilitate entry to the meeting. However, ID verification may be required in the form of a driving licence/passport.

To assist with arrangements you may email the Company at [agm@croda.com](mailto:agm@croda.com) if you propose to attend the Meeting.

## Not attending the Meeting

Whoever you appoint as a proxy (whether you appoint them using the CREST service, online or via a hard copy proxy form) can attend, speak, vote or abstain from voting, as he or she decides on any other business which may validly come before the AGM.

Details of how to appoint a proxy are given in the notes to this Notice.

## Enquiries

Link Asset Services maintain the Company's share register. If you have any enquiries about the Meeting or about your Croda International Plc shareholding, you may contact Link:

**Email enquiries:**  
[enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk)

**in writing to:**  
Link Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

**or by telephone to the shareholder helpline:**  
(from the UK) 0871 664 0300  
(from outside the UK) + 44 (0)371 664 0300  
Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate; lines are open 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales.

**You may also contact Croda International Plc at the following corporate address:**

Cowick Hall  
Snaith  
Goole  
East Yorkshire  
DN14 9AA

## Form of Proxy

Croda is committed to reducing paper and improving efficiency wherever possible in its communications with shareholders. From this year we are no longer sending paper proxy cards to shareholders unless specifically asked to do so. Advice on how to request a paper proxy is set out in Note 2(ii) in the Notes to this Notice.

## Data Protection Statement

Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data are to be processed. The Company and any third party to which it discloses the data (including the Company's Registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

## Venue location Pavilions of Harrogate

The Pavilions of Harrogate is accessible by plane, rail, bus or car. Leeds Bradford International Airport is just over 10 miles away and Harrogate train station is less than two miles from the venue.

## By car

Satellite navigation post code HG2 8QZ. The Pavilions of Harrogate is just over five miles from junction 47 of the A1(M).

## Parking at the Pavilions of Harrogate

There is free on-site car parking for over 500 cars.

