

**MATTERS RESERVED FOR THE BOARD OF DIRECTORS OF CRODA INTERNATIONAL Plc  
("the Board")**

**1. Strategy and management**

- 1.1 Responsibility for the overall leadership of the Company and setting the Company's values and standards.
- 1.2 Approval of the Group's long-term objectives and commercial strategy.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.5 Extension of the Group's activities into new business or geographic areas.
- 1.6 Any decision to cease to operate all or any material part of the Group's business.

**2. Structure and Capital**

- 2.1 Any changes to the Company's listing or its status as a plc.
- 2.2 Changes relating to the Group's capital structure including reduction of capital; share issues (except under employee share plans) and share buy backs.
- 2.3 Changes to the Group's management and control structure.

**3. Financial reporting and controls**

- 3.1 Approval of the half-yearly report, quarterly trading statements and any preliminary announcement of the final results.
- 3.2 Approval of the annual report and accounts, including the strategic report, directors' report, corporate governance statement and remuneration report.
- 3.3 Approval and declaration of the interim dividend and recommendation of the final dividend.
- 3.4 Approval of the dividend policy.
- 3.5 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

**4. Risk Management and internal controls**

- 4.1 The Board has responsibility for the Group's overall approach to risk management and internal controls, including:
  - 4.1.1 Ensuring the design, implementation and maintenance of appropriate risk management and internal control systems that identify the risks facing the Company and enable the Board to make a robust assessment of the principal risks;
  - 4.1.2 Determining the nature and extent of the principal risks faced and those risks which the Group is willing to take in achieving its strategic objectives;
  - 4.1.3 Ensuring the appropriate culture and reward systems have been embedded throughout the Group;

4.1.4 Agreeing how the principal risks should be managed or mitigated to reduce the likelihood or their incidence or their impact;

4.1.5 Monitoring and reviewing the Group's risk management and internal control systems, and senior management's process of monitoring and reviewing, and satisfying itself that they are functioning effectively and that corrective action is being taken where necessary; and

4.2 Approving procedures for the detection of fraud and the prevention of bribery.

4.3 Approving appropriate statements for inclusion in the annual report.

## **5. Public communications**

5.1 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.

5.2 Approval of all circulars, prospectuses and listing particulars (not including approval of routine documents such as periodic circulars re scrip dividend procedures).

5.3 Approval of press releases concerning significant matters decided by the Board.

5.4 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

## **6. Board membership and other appointments**

6.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.

6.2 Appointments to the Board, following recommendations by the Nomination Committee.

6.3 Selection of the Chairman of the Board and the Group Chief Executive.

6.4 Appointment of the senior independent director.

6.5 Membership and chairmanship of Board committees.

6.6 Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board.

6.7 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.

6.8 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.

6.9 Appointment or removal of the Company Secretary.

6.10 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.

6.11 Appointments of the managing director of major subsidiaries and operating divisions.

## **7. Delegation of Authority**

7.1 Approval of terms of reference of the Chairman, Group Chief Executive and other executive directors.

7.2 Approval of terms of reference of Board committees.

7.3 The division of responsibilities between the Chairman and the Group Chief Executive which should be in writing.

## **8. Remuneration**

8.1 Determining the remuneration policy for the executive directors, Company Secretary and other senior executives.

8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.

8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

## **9. Contracts & investments**

9.1 Major capital projects in excess of £10 million.

9.2 Material contracts of the Group in the ordinary course of business including new committed bank facilities, interest rate swaps money market cash deposits in excess of £10 million with unapproved institutions and the acquisition of fixed assets in excess of £10 million or disposal of fixed assets in excess of £10 million (based on the greater of book value or market value).

9.3 Contracts of the Group not in the ordinary course of business, e.g. speculative foreign currency transactions in excess of £10 million.

9.4 Transactions involving the acquisition, investment in or disposal of a company, business, partnership or joint venture (i) in excess of £10m including any further investment required or exceptional reorganisation costs in the first 12 months or (ii) in a new business area, a new geographical area regardless of the level of capital commitment or receipt involved.

9.5 Capital investments in companies, businesses or partnerships, including further stage funding or investment (i) in excess of £10m or (ii) in a new business area, a new geographical area regardless of the level of capital commitment or receipt involved.

## **10. Policies**

10.1 Approval of policies including:

- i. Code of conduct
- ii. Share dealing code
- iii. Bribery prevention policy
- iv. Whistleblowing policy
- v. Health and safety policy
- vi. Environmental policy
- vii. Corporate social responsibility policy
- viii. Charitable donations policy
- ix. Political donations policy

## **11. Corporate governance**

11.1 Undertaking a formal and rigorous review of its own performance, that of its committees and individual directors, and the division of responsibilities.

11.2 Determining the independence of non-executive directors in light of their character, judgement and relationships.

11.3 Considering the balance of interests between the shareholders, employees, customers and the community.

11.4 Review the Group's corporate governance arrangements.

- 11.5 Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.
- 11.6 Authorising conflicts of interest where permitted by the Company's articles of association.

## **12 Other**

- 12.1 Prosecution, defence or settlement of litigation involving above £10 million or being otherwise material to the interests of the Company.
- 12.2 Approval of the appointment of the Group's principal professional advisers.
- 12.3 Approval of the overall levels of insurance for the Group including directors' & officers' liability insurance and indemnification of directors.
- 12.4 Major changes to the rules of the Group's pension schemes or changes of the Chairman of trustees.
- 12.5 The making of political donations.
- 12.6 This schedule of matters reserved for Board decisions.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the Board will receive reports and recommendations from time to time on any matter that it considers significant to the Group.

**Adopted by the Board of Croda International Plc  
on 10 December 2020**