

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE OF THE BOARD OF
DIRECTORS OF CRODA INTERNATIONAL Plc
("the Committee")**

A. Membership

1. The Committee will consist of at least three members, each appointed by the Board of Directors (the "**Board**").
2. All members of the Committee will be non-executive directors who are independent in character and judgement and free from any business or other relationship or circumstance that are likely to affect, or could appear to affect, the exercise of their independent judgement.
3. The Board shall appoint the Chair of the Committee who shall be an independent non-executive director who should have served on a remuneration committee for at least 12 months and determine the period for which they shall hold office. The Chair of the Board shall not be appointed the Chair of the Committee.
4. The Company Secretary or their nominee shall act as the Secretary of the Committee.

B. Meetings

1. The Committee shall meet formally at least three times a year.
2. A meeting of the Committee may be called by any member of the Committee or by the Secretary.
3. The quorum for any meeting shall be two.
4. Other people e.g. the Group Chief Executive or the Group HR Director, may be invited to attend and speak at the meeting at the request of the Chair of the Committee.
5. In the absence of the Chair of the Committee, the remaining members present shall elect one of their number to chair the meeting.

C. Responsibilities

The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the Group as a whole, as appropriate.

1. Determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chair, the Group Chief Executive, the executive directors, the Company Secretary and such other members of the senior executive. The remuneration of non-executive directors shall be a matter for the Chair and the executive directors. No director or manager shall be involved in any discussion or decision on their own remuneration or term of office.
2. Establish remuneration schemes that promote long-term shareholding by executive directors that support alignment with long-term shareholder interests, with share awards subject to a total vesting and holding period of at least five years, and a formal policy for post-employment shareholding requirement encompassing both unvested and vested shares.
3. Design remuneration policies and practices to support strategy and promote long term sustainable success, with executive remuneration aligned to Company purpose and values, clearly linked to the successful delivery of the Company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums or share awards under appropriate specified circumstances.
4. When determining executive director remuneration policy and practices, consider the Code requirements for clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.

5. In determining remuneration policy, take into account all other factors which it deems necessary, including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (the **Code**) and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders.
6. Review the ongoing appropriateness and relevance of the remuneration policy.
7. Within the terms of the agreed policy and in consultation with the Chair and/or Group Chief Executive, as appropriate, determine the total individual remuneration packages for the Chair, each executive director, the Company Secretary and other members of the senior executive, including basic salaries and, where appropriate, bonuses, incentive payments, long-term incentives and share awards. The choice of financial, non-financial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of Company and individual performance, and wider circumstances.
8. Ensure that no payment or proposed payment is made to any existing, proposed or previous person to whom the remuneration policy applies or applied, which is not consistent with the remuneration policy most recently approved by shareholders.
9. Determine the policy for, and scope of, pension arrangements for the executive directors and other senior executives of the Group. Ensure that contractual terms on termination, and any payments made, are consistent with the most recent directors' remuneration policy that has been approved by shareholders or are otherwise approved by shareholders as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (the Regulations), the Companies Act 2006, the Listing Rules and all other relevant laws and regulations.
10. Determine the policy for authorising claims for expenses from the directors.
11. Review the design of all share incentive plans for approval by the Board and, where required, shareholders. For any such plans, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used.
12. Establish the selection criteria, select, appoint and set the terms of reference for any remuneration consultants who advise the Committee and obtain reliable, up-to-date information about remuneration in other companies. Have full authority to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.
13. Review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting remuneration policy for directors.
14. Feedback to the Board on workforce reward, incentives and conditions in support of the Board's monitoring of whether the workforce policies and practices of the Company are aligned with its purpose, values and strategy.
15. Oversee any major changes in employee benefits structures throughout the Group.
16. Periodically review the principles, policies and practices of selection, performance appraisal, development and compensation of employees throughout the Group.
17. Ensure that the provisions regarding the disclosure of remuneration, including pensions, (as set out in the Regulations or any other relevant regulations which may from time to time come into

force, the Listing Rules, the Companies Act 2006, as amended from time to time, and the Code) are fulfilled.

18. On behalf of the Board, produce an annual report on remuneration (including, where required, the directors' remuneration policy and its implementation) in a form consistent with the Regulations and the Code and ensure that the remuneration policy and disclosures on directors' remuneration referred to in this paragraph and paragraph 17 above are put to shareholders for approval at the Company's AGM as necessary.
19. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company or individual directors.

In carrying out their responsibilities, Committee members must act in accordance with the statement of directors' duties set out in sections 171 – 177 of the Companies Act 2006.

D. Authority

1. The Committee is authorised by the Board:
 - 1.1 to seek any information it requires from any employee of the Company in order to perform its duties;
 - 1.2 when necessary for the fulfilment of its duties, to obtain any outside legal or other professional advice, including the advice of independent remuneration consultants, to secure the attendance of external advisors at its meetings, and to obtain reliable, up to date information about remuneration in other companies, at the Company's expense; and

E. Reporting Procedures

1. The Secretary shall minute the proceedings of all Committee meetings, including the names of those present.
2. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.
3. The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
4. The Committee members shall conduct an annual review of their performance, constitution and these terms of reference and make recommendations to the Board regarding any changes.
5. The Chair of the Committee, or, in their unavoidable absence, an appointed deputy, shall attend the Company's Annual General Meeting to answer shareholders' questions.
6. The Chair of the Committee should seek engagement with shareholders on significant matters related to the Committee's area of responsibility.
7. The Chair of the Committee shall ensure that the Committee complies with its reporting and disclosure obligations in relation to remuneration as referenced at paragraphs 17 and 18 of Part C.