

Mrs J Ferguson

18 April 2018

Dear Jacqui

I write to confirm your appointment by the Board of Croda International Plc (“the Company”), as a non-executive director with effect from 1 September 2018. This letter confirms the main terms and conditions of your appointment to this office.

1. Your appointment will be for an initial term of three years commencing on 1 September 2018. Continuation of your appointment is contingent on satisfactory performance and election / re-election at forthcoming AGMs. Non-executive directors are typically expected to serve two three-year terms, although the Board may invite you to serve for an additional period.
2. Your appointment will be subject to the Articles of Association of the Company and the provisions of the Companies Act 2006 (“Companies Act”) relating to the retirement, re-election or removal of directors and their qualification or ability to hold office as a director.
3. We currently hold Board meetings seven times a year, most of which take place at Cowick Hall with a meeting in London and two site visits, one of which one will usually be overseas. It is anticipated that attendance at Board and Board Committee meetings will require 17 days per annum. In addition, you will be expected to prepare for and attend all Board meetings and the annual general meeting and will devote so much of your time, attention, ability and skills as are reasonably required for the performance of your duties.
4. The Company has established formal Nomination, Remuneration and Audit Committees to which you have been appointed as a member by the Board. The Audit Committee and Remuneration Committee currently meet five times per year and the Nomination Committee meets at least two times per year. You will be expected to prepare for and attend all meetings of committees of which you are a member. Details of the terms of reference of the various committees have been made available to you.
5. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations of your role with the Company. The agreement of the Company must be obtained

before you accept any additional commitment that might affect the time that you are able to devote to your role as a non-executive director of the Company.

The performance of each individual director is evaluated annually to assess, inter alia, each director's commitment and the effectiveness of his/her contribution.

6. Further training may be provided from time to time. You should bring to the attention of the Chairman any matters upon which you feel further training would be beneficial.
7. Subject to review by the Board, the fee for your services as a non-executive director will be £56,650 per annum which will accrue on a daily basis and be payable in equal monthly instalments in arrears. All fees will be paid to you after deductions of PAYE and National Insurance contributions and you will be responsible for the payment of any tax (whether income tax or otherwise) on the said fee.
8. You will not be entitled to participate in any share option scheme or receive any pension from the Company.
9. The Company will reimburse to you all travelling, hotel, subsistence and out of pocket expenses reasonably incurred by you in the proper performance of your duties and authorised in accordance with any applicable expenses policy operated by the Company from time to time provided that you produce to the Company vouchers, receipts or other evidence of actual payment of such expenses.
10. If circumstances should arise in which it is necessary for you to seek professional advice in the furtherance of your duties you should consult with the Company's advisers, having previously informed the Chairman and Company Secretary. In such a case the Company will be responsible for your legal (or other professional) fees. In certain circumstances you may feel it necessary to take independent professional advice from advisors other than those of the Company. You will however appreciate that taking separate advice will require sensitive handling and you will be expected to follow agreed Company procedures. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's then current policy and procedures.
11. During the term of your appointment you will not (except with the Board's prior permission) be directly or indirectly engaged, concerned or interested in any other business which is wholly or partly in competition with the business carried on by the Company or any of its subsidiaries (and "subsidiary" has the meaning set out in section 1159 of the Companies Act) (together "Group") nor (except with the Board's permission) will you accept any appointment as a non-executive director of any other company carrying on a business competing or tending to compete with the business of the Company or any other member of the Group, provided that this **paragraph 11** does not apply to prevent you from holding shares or other securities in any company which is quoted, listed or otherwise dealt in on a recognised stock exchange or other securities market and which confer not more than 1 per cent of the votes which could be cast at a general meeting of such company.
12. Subject to **paragraph 24** of this letter, you will share the same legal responsibilities and be subject to the same legal constraints as the executive directors of the Company which includes observing the directors' statutory duties under the Companies Act, a summary of which is attached. The Board as a

whole is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board:

- 12.1 provides entrepreneurial leadership within a framework of prudent and effective controls for risk assessment and management;
  - 12.2 sets the strategic aims of the Company, ensures that resources are in place for the Company to meet its objectives, and reviews management performance; and
  - 12.3 sets the values and standards of the Company, and ensures that its obligations to shareholders and others are understood and met.
13. You will be expected to participate fully in ensuring that the Board exercises effective leadership of and control over the Company and members of the Group and monitors its executive management. In particular you will be expected, as a non-executive director, to bring to the Board knowledge and experience of other business organisations and independence and objectivity of judgment on matters relating to:
- 13.1 strategy – constructively challenging and contributing to the development of the strategy of the Company;
  - 13.2 performance – scrutinising the performance of management in meeting agreed goals and objectives, and monitoring the reporting of performance;
  - 13.3 risk – being satisfied that financial information is accurate and that financial controls and systems of risk management are robust and defensible;
  - 13.4 people – determining appropriate levels of remuneration of executive directors and taking a prime role in the appointment and removal (where necessary) of senior management, and in succession planning.
14. It is the Company's policy to comply with the UK Corporate Governance Code as amended from time to time. You will be expected to assist in such compliance.
15. You will comply where relevant with every rule of law, every regulation of the FCA and/or the London Stock Exchange and every regulation or code of the Company adopted in relation to dealings by directors and/or employees of the Company and the Group in shares, debentures or other securities of the Company and the use to which unpublished price sensitive information affecting the shares, debentures or other securities of the Company and any other company may be put.
16. You will comply with all rules, policies and procedures of the Company in relation to directors and/or employees of the Group including in particular but without limitation its policies and procedures relating to health and safety, electronic communications and IT abuse and equal opportunities/harassment.

17. The Company maintains directors' and officers' liability insurance cover and intends to maintain such cover for the full term of your appointment. A copy of the policy documentation may be obtained from the Company Secretary.
18. You acknowledge that in the course of your appointment you will have access to and be entrusted with information about the Company's and any member of the Group's business, financing, dealings, transactions, affairs, plans and proposals which is or may be secret, confidential or commercially sensitive. Such information includes, without limitation, confidential or secret information relating to the Company's or any other member of the Group's business ideas, business methods, finances, prices, marketing initiatives, ongoing and previous proposals for acquisitions, disposals or other strategic corporate developments (including the identity of any company with which the Company or the Group has discussed such proposals), development or manpower plans, customer lists or details, computer systems and software, know-how or other matters connected with the products or services manufactured, marketed, provided or obtained by the Company or any other member of the Group and confidential or secret information concerning its and their relationships with actual or potential clients or customers and the needs and requirements of such persons (together "Confidential Information").
19. You will not, at any time (including for the avoidance of doubt following the termination of your appointment) and in any manner, use or divulge to any person, company or other organisation (except to officials of the Group who are entitled to know) any Confidential Information acquired or discovered by you during the term of your appointment. This restriction does not apply to any Confidential Information which is or becomes available in the public domain otherwise than through unauthorised disclosure by you and Confidential Information which is required by law or the regulations of the FCA or the London Stock Exchange or the City Code to be disclosed. If you cease to be a director, for whatever reason, you will immediately return all Confidential Information in your possession or control to the Company.
20. Your appointment as a non-executive director of the Company will automatically terminate without payment of any compensation:
  - 20.1 if you cease to be a director of the Company for whatever cause;
  - 20.2 if you become prohibited by law or by virtue of any provision of the Articles of Association of the Company from being a director;
  - 20.3 if you become bankrupt or make any arrangement or composition with your creditors generally;
  - 20.4 if you commit any breach of your obligations during the term of your appointment or you are guilty of any gross default or misconduct affecting the business of the Company or the Group or you are guilty of conduct tending to bring yourself or the Company or any member of the Group into disrepute;
  - 20.5 if you fail to be elected or re-elected as a director at a general meeting of the Company at which your election or re-election is a valid item of business; or

- 20.6 if you are or may be suffering from mental disorder and either you are admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or an order is made by a court having jurisdiction in matters concerning mental disorder for your detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to your property or affairs.
21. Your appointment as a non-executive director of the Company may be terminated by you immediately upon written notice if:
- 21.1 a conflict of interest arises between your position as a director of the Company and your interests in any other company in which you may be interested in which case no payment of any compensation will be payable by the Company; or
- 21.2 otherwise you feel that you wish to resign your position as a director of the Company in which case no payment of any compensation will be payable by the Company.
22. If you cease to be a non-executive director of the Company for whatever reason, you will immediately deliver up to the Company all documents and property belonging to the Company or any Group Company in your possession or under your control. Documents include (but are not limited to) all working papers, correspondence, files, reports, minutes, plans, records and other materials (in whatever format they are stored) and any copies of such documents which have been provided to you or prepared by you.
23. If you resign as a non-executive director of the Company, you should provide to the Chairman of the Company a written statement, for circulation to the Board, setting out any concerns you may have about the running of the Company or any proposed action.
24. As a non-executive director, you do not have authority to commit the Company or any other member of the Group to any contract or other arrangement whether legally binding or not without the express authorisation of the Board.
25. For the avoidance of doubt, these terms and conditions of your appointment set out in this letter are in substitution for any previous agreements, whether written or oral, between yourself and the Company or any other member of the Group or any director of the Company with regard to your position as a non-executive director (such agreements being deemed to have been terminated by mutual consent).
26. Notice to the Company should be addressed to the Company and left at its registered office or sent by first class post to its registered office and notice given by the Company to the non-executive director should be served personally or sent by first class post to his/her usual or last known place of residence. In the case of service by post the date of service will be 48 hours after posting.
27. The termination of your appointment (howsoever arising) is without prejudice to the rights, duties and liabilities of either party accrued prior to termination. The clauses in this letter which expressly or impliedly have effect after termination will continue to be enforceable notwithstanding termination.

- 28. The parties agree that if any clause or part of any clause of this letter is held to be against the public interest or unlawful or in any way an unreasonable restraint of trade, the remaining clauses or part of the clause will continue in full force and effect and bind the parties.
- 29. This letter constitutes an agreement between you and the Company and may be amended or modified in whole or in part at any time by an agreement in writing executed by you and the Company or by notice in writing given to you by the Company where amendment is required in order for this agreement to comply with the Companies Act, the Listing Rules of the FSA, the Admission and Disclosure Standards of the London Stock Exchange or the City Code (all as amended from time to time).
- 30. **THIS DOCUMENT** is executed as a deed and is delivered on the date stated at the beginning of this Deed.

**SIGNED** as a deed by )  
**Croda International Plc** )  
 acting by **A M Frew** and **T M Brophy** )  
 a director and its secretary )

**Director**

**Secretary**

**SIGNED** as a deed by )  
**J Ferguson** )  
 in the presence of: )

Witness signature:

Name:

Address:

Occupation:

## **SUMMARY OF DIRECTORS' DUTIES UNDER COMPANIES ACT 2006**

Chapter 2 of Part 2 of the Companies Act 2006 contains the provisions on the general duties of directors.

The general duties are as follows:

- **Duty to act within powers (section 171)**

A director of a company must act in accordance with the company's constitution and must only exercise his powers for the purposes for which they are conferred.

The Companies Act 2006 defines a company's constitution, for the purposes of the general duties, as including the company's articles, decisions taken in accordance with the articles and other decisions taken by the members or a class of them if they can be regarded as decisions of the company.

- **Duty to promote the success of the company (section 172)**

A director must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

In fulfilling the duty in section 172, a director must have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the company.

- **Duty to exercise independent judgement (section 173)**

A director must exercise independent judgement. This duty is not infringed by a director acting in accordance with an agreement entered into by the company that restricts the future exercise of the director's discretion or in a way authorised by the company's constitution.

- **Duty to exercise reasonable care, skill and diligence (section 174)**

A director must exercise the care, skill and diligence which would be exercised by a reasonably diligent person with both the general knowledge, skill and experience that may be reasonably expected of a person carrying out the functions carried out by the director in relation to the company and the general knowledge, skill and experience that the director actually has.

- **Duty to avoid conflict of interest (section 175)**

A director must avoid situations in which he has or can have a direct or indirect interest that conflicts with or may conflict with the company's interests. This applies in particular to the exploitation of property, information or opportunity (whether or not the company could take advantage of the property, information or opportunity). This duty does not apply to a conflict of interest arising in relation to a transaction or arrangements with the company (these do not have to be authorised by either the members or by the board and instead directors must declare their interests in transactions or arrangements with the company under section 177 (in the case of proposed transactions) or under section 182 (in the case of existing transactions) unless an exception applies under those sections).

The duty is not infringed if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest, or if the matter is authorised by the directors. Such directors' authorisation may be given in a private company where the constitution does not invalidate the authorisation, or in a public company, where the constitution specifically allows the directors to authorise the matter being proposed. Board authorisation is only effective if the required quorum is met without counting the director in question or any other interested director or if the conflicted directors have not participated in the taking of the decision or the decision would have been valid without the participation of the conflicted directors. Board authorisation is not allowed in respect of acceptance of benefits from third parties.

- **Duty not to accept benefits from third parties (section 176)**

Directors must not accept any benefits from a third party which is conferred because of his being a director or his doing or not doing anything as a director. This duty is not infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest. Benefits conferred by the company, its holding company or subsidiaries and benefits given by the directors' service contracts are excluded.

- **Duty to declare interest in proposed transaction or arrangement (section 177)**

Directors must declare to the other directors the nature and extent of any interest, direct or indirect in a proposed transaction or arrangement with the company. The director need not be a party to the transaction for the duty to apply. An interest of another person in the contract with the company may require the directors to make a disclosure under his duty, if the other person's interest amounts to a direct or indirect interest on the part of the director. Such declarations must be made before the company enters into the transaction or agreement. The declaration may (but need not) be made at



a meeting of the directors or by notice to the directors in accordance with sections 184 or 185 of the Companies Act 2006. If a declaration of interest under this section proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

No declaration is required where the director is not aware of his interests or where the director is not aware of the transaction or arrangement in question. However, for these purposes directors are treated as being aware of matters of which they ought reasonably to be aware.

A director need not make a declaration of interest if his interests cannot reasonably be regarded as likely to give rise to a conflict of interests, or if the other directors are already aware of it or, if it concerns the terms of his service contract which have been considered at a board meeting or board committee.