

## 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 eighty-sixth Annual General Meeting of Croda International Plc (the "Company") will be held at Carlton Towers, Carlton, Goole, East Yorkshire DN14 9LZ on Thursday 28 April 2011 at 12 noon for the transaction of the following business:

- 1 To receive the report of the directors and the financial statements for the year ended 31 December 2010;
- 2 To approve the directors' remuneration report for the year ended 31 December 2010;
- 3 To declare a final dividend of 25.25 pence per ordinary share;
- 4 To elect S G Williams as a director;
- 5 To elect S E Foots as a director;
- 6 To re-elect M C Flower as a director;
- 7 To re-elect M Humphrey as a director;
- 8 To re-elect M S Christie as a director;
- 9 To re-elect M C Buzzacott as a director;
- 10 To re-elect S Musesengwa as a director;
- 11 To re-elect P N N Turner as a director;
- 12 To resolve as an ordinary resolution:  
That PricewaterhouseCoopers LLP be reappointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid;
- 13 To resolve as an ordinary resolution:  
That the Audit Committee determines the remuneration of the auditors on behalf of the Board;

### Directors' authority to allot shares

- 14 To resolve as an ordinary resolution:
  - (i) That the directors are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £4,531,310; and further
  - (ii) That the directors are generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot equity securities (within the meaning of section 560(1) of the Act) up to an aggregate nominal amount of £4,531,310 in connection with an offer of securities by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as may be) to their holdings and subject only to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with legal or practical problems under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in connection with fractional entitlements or any other matter whatsoever;

during the period from the date of passing of this resolution to the conclusion of the next Annual General Meeting of the Company and so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the directors may allot shares or grant rights to subscribe for, or to convert any security into, shares in pursuance of such offers or agreements as if the authority given by this resolution had not expired and the authority shall supersede the previous authority conferred at the Annual General Meeting of the Company held on 28 April 2010 which shall be terminated upon the passing of this resolution but without prejudice to any action taken thereunder prior to such termination.

### **Disapplication of pre-emption rights**

#### **15 To resolve as a special resolution:**

That subject to the passing of resolution 14 set out in the Notice of Meeting of which this resolution is a part, the directors are empowered pursuant to section 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by resolution 14 set out in the Notice of Meeting of which this resolution is a part as if section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

- (i) the allotment of equity securities (but in the case of the authority granted under paragraph (ii) of resolution 14, by way of rights issue only) in connection with an offer of securities, open for acceptance for a period fixed by the directors, by way of rights to holders of ordinary shares and other persons entitled to participate in such offer in proportion (as nearly as may be) to their holdings (or, as appropriate, to the number of shares which such other persons are deemed to hold) on a record date fixed by the directors, subject only to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with legal or practical problems under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in connection with fractional entitlements or any other matter whatsoever; and
- (ii) pursuant to the terms of any share scheme for employees approved by members in general meeting; and
- (iii) (otherwise than pursuant to sub-paragraphs (i) and (ii) above) up to an aggregate nominal value of £699,750

during the period from the date of passing of this resolution to the conclusion of the next Annual General Meeting of the Company, and so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offers or agreements as if the power had not expired. This power shall supersede the previous power to allot equity securities conferred at the Annual General Meeting of the Company held on 28 April 2010 which shall be terminated upon the passing of this resolution but without prejudice to any action taken under such power prior to such termination.

This power applies in relation to a sale of treasury shares which is included as an allotment of equity securities by virtue of section 560(2) of the Act as if all references in this resolution to any such allotment included any such sale and as if in the first paragraph of this resolution the words "pursuant to the authority conferred by resolution 14 set out in the Notice of Meeting of which this resolution is a part" were omitted in relation to such sale.

### **Company's authority to purchase its own shares**

#### **16 To resolve as a special resolution:**

That the Company be authorised generally and without conditions in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (as defined in section 693(4) of the Act) of its own ordinary shares, provided that:

- (i) the Company may not purchase more than 13,700,000 ordinary shares in the capital of the Company;
- (ii) the minimum price which the Company may pay for each ordinary share is 10 pence;
- (iii) the maximum price (excluding expenses) which the Company may pay for each ordinary share is the higher of (a) 105% of the average of the closing middle market price taken from the London Stock Exchange Daily Official List for each of the five business days 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 London Stock Exchange Trading Systems;
- (iv) such authority shall, unless previously renewed, revoked or varied, expire at the conclusion of the next Annual General Meeting or 30 October 2012 (whichever is the earlier); 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 executed wholly or partly after such expiry.

### **Notice period for shareholders' meetings**

#### **17 To resolve as a special resolution:**

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.

## **Amendment to Long Term Incentive Plan**

### **18 To resolve as an ordinary resolution:**

That rule 4(A) of The Croda International Long Term Incentive Plan be amended by deleting the words "one times" where they appear in such rule 4(A) and replacing them with the words "two times", such amendment to be effective once adopted by the Remuneration Committee of the Company.

### **By Order of the Board**

Louise Scott  
Secretary

**24 March 2011**

### **Notes**

- 1** 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 Annual General Meeting 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. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact our registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Alternatively you may choose to vote online by logging on to [www.capitashareportal.com](http://www.capitashareportal.com) and selecting the "Proxy Voting" link. 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 tax voucher.
- 2** To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or online at [www.capitashareportal.com](http://www.capitashareportal.com) or, in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below and in each case no later than 12 noon on 26 April 2011.
- 3** The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
- 4** In accordance with section 149 of the Companies Act 2006 ("2006 Act"), the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the 2006 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 Annual General Meeting. 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.
- 5** The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
- 6** To be entitled to attend and vote at the Annual General Meeting (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 6 p.m. on 26 April 2011 (or, in the event of any adjournment, on the date which is two days 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 and vote at the meeting.
- 7** As at 4 March 2011 (being the last practicable date before the publication of this Notice) the Company's issued share capital consisted of 139,949,969 ordinary shares, carrying one vote each. Croda International Plc holds 2,637,530 ordinary shares in treasury and so the total number of voting rights at that date was 137,312,439.
- 8** 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 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.

- 9 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 26 April 2011. 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.
- 10 CREST members and, where applicable, their CREST sponsors, or voting service providers 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, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 11 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.
- 12 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 they do not do so in relation to the same shares.
- 13 Under section 527 of the Companies Act 2006 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 auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; 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 Companies Act 2006. 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 Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, 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 Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
- 14 Any member attending the meeting 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.
- 15 A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found on the Company's website at [www.croda.com/AGM](http://www.croda.com/AGM).
- 16 Copies of the service contracts of the executive directors and the letters of appointment of the non-executive directors are available for inspection at the registered office of the Company during usual business hours and will be available at the place of the meeting from 11.45 a.m. until fifteen minutes after the conclusion of the meeting.
- 17 You may not use any electronic address provided in either this Notice of Meeting or any related documents (including the Proxy Form) to communicate with the Company for any purposes other than those expressly stated.

## Explanatory notes to certain of the resolutions to be proposed at the Annual General Meeting

### 1 Resolution 2 - Remuneration report

Listed companies are required to prepare a report on directors' remuneration and to put a resolution to approve the report to the shareholders at the Annual General Meeting. Ordinary shareholders are being asked to approve the remuneration report, a copy of which is set out on pages 28 to 39 of the Annual Report.

### 2 Resolution 3 - Declaration of dividends

The directors are recommending that the ordinary shareholders declare a final dividend of 25.25 pence per ordinary share in respect of the year ended 31 December 2010. 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 3 June 2011 to ordinary shareholders who were on the Register of Members at close of business on 3 May 2011.

### 3 Resolutions 4 - 11

These resolutions concern the re-appointment of directors. Steve Williams and Steve Fooths were appointed on 1 July 2010 after the 2010 AGM and so under the Company's Articles of Association are required to stand for election at this AGM. All the other directors are standing for re-election at this AGM in accordance with the UK Corporate Governance Code. Biographical details of the directors appear on pages 21 and 22 of the Annual Report. The Board considers all the directors to have the requisite experience to enable them to make valuable contributions to the Board and the Board is recommending that shareholders should re-elect them.

### 4 Resolution 14 - Renewal of directors' authority to allot shares

Under section 551 of the Companies Act 2006, 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. 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 Association of British Insurers, 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 an aggregate nominal amount of £4,531,310 (being approximately 33% of the current issued share capital, excluding shares held in treasury, as at 4 March 2011) and up to an additional amount not exceeding £4,531,310 in the case of allotments in connection with a rights issue. This additional authority represents approximately 33% of the issued ordinary share capital, excluding shares held in treasury, as at 4 March 2011. On this date the Company held 2,637,530 ordinary shares in treasury, representing 1.92% of the issued ordinary share capital of the Company, excluding shares held in treasury. The directors have no present intention to exercise either of the authorities sought under this Resolution. 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 conclusion of the next AGM.

### 5 Resolution 15 - Disapplication of pre-emption rights

This is a special resolution to renew the directors' authority to allot shares for cash without first offering them to existing shareholders on a pro-rata basis. In addition, subject to a waiver by way of special resolution, or in the Articles of Association, treasury shares must in the first instance be offered for sale to existing shareholders in proportion to their holdings. As with the allotment of shares for cash, the directors consider that it is in the interests of the Company, in certain circumstances, for the directors to be able to sell treasury shares for cash without having to offer them to existing shareholders first. Therefore, the directors' authority to allot equity securities for cash on a non-pre-emptive basis pursuant to this special resolution will also cover the sale for cash of any share held by the Company as treasury shares.

Although there is currently no intention to make use of this authority, its renewal would provide the directors with continued flexibility to act in the best interests of shareholders when opportunities arise and, in respect of treasury shares, also give the Company the ability to sell treasury shares quickly and cost-effectively. The authority sought is limited to an aggregate nominal amount of £699,750, which is 5% of the issued ordinary share capital, including shares held in treasury, as at 4 March 2011. In relation to the exercise of this authority, the directors would have regard to the guidelines published by the investment committees of the Association of British Insurers and the National Association of Pension Funds. This authority will last until the conclusion of next year's AGM.

### 6 Resolution 16 - Company's authority to purchase its own shares

Resolution 16 is a special resolution seeking to renew the authority to purchase up to 10% of the Company's issued ordinary shares (excluding treasury shares). The maximum price to be paid on any occasion for each ordinary share will be the higher of (a) 105% of the average of the closing middle market price taken from the London Stock Exchange Daily Official List for each of the five business days 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 London Stock Exchange Trading Systems. The minimum price to be paid on any occasion for each ordinary share will be 10 pence. In exercising this authority the directors will comply with the rules of the London Stock Exchange and the guidelines of the Association of British Insurers on the purchase of own shares. This authority will expire on the date of the AGM of the Company in 2012 or, if earlier, on 30 October 2012.

As at 4 March 2011 the total number of outstanding options to subscribe for new ordinary shares was just over 3,182,000. This represents approximately 2.31% of the Company's issued ordinary share capital (excluding treasury shares) on that date and would represent 2.52% of the Company's issued ordinary share capital (excluding treasury shares) in the event that the proposed new authority to repurchase shares were to be exercised in full.

Under the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the "Regulations") the Company is allowed to hold its own shares purchased in the market in treasury as an alternative to cancelling them. Shares held in treasury may subsequently be sold for cash, transferred for the purposes of employee share schemes or cancelled.

On 22 February 2011 the Company announced that it intends to purchase shares worth up to £50m in the market in the following year. 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, provided that the number of treasury shares does not at any one time exceed 10% of the Company's issued share capital (excluding treasury shares). 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. The Company has not purchased any ordinary shares since last year's AGM but has transferred 1,120,056 ordinary shares held in treasury to its employee benefit trusts for the purposes of employee share schemes so that at 4 March 2011, the Company held 2,637,530 ordinary shares in treasury, representing 1.92% of its issued ordinary share capital, excluding shares held in treasury.

#### **7. Resolution 17 – Notice period for shareholders' meetings**

The Companies (Shareholder Rights) Regulations 2009 require that all general meetings must be held on 21 days' notice unless shareholders agree to a shorter notice period which is subject to a minimum of 14 days. Prior to August 2009 we were able to call general meetings (other than annual general meetings) on 14 days' notice and this resolution is being proposed so that we can continue to be able to do so. 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.

#### **8. Resolution 18 – Amendment to the Long Term Incentive Plan**

The Company proposes to make an amendment to the rules of The Croda International Long Term Incentive Plan ("LTIP") to increase the maximum level of awards that can be made to an individual in any financial year.

Currently under the rules of the LTIP, each award granted is limited so that the total market value of the shares ("Shares") over which an award is granted to an individual in any financial year of the Company, when added to the total market value of Shares in respect of which that individual was granted awards under the LTIP in the same financial year, does not exceed one times the individual's pay. For these purposes an individual's pay on any date is the annual rate of their basic pay (excluding bonuses, commissions and benefits in kind) from all members of the Company's group.

Under the proposed amendment, the limit of one times pay referred to above would be increased to two times pay. The proposed amendment is intended to allow flexibility to increase awards from 2012 onwards and so enable the Company to compete effectively in the recruitment and retention of high calibre executives in the international market in which it operates. The Company has committed to notify its major investors and the main shareholder protection bodies in advance if awards are to be granted above the current one times pay limit in 2012.

A copy of the existing rules of the LTIP marked to show the change being proposed in Resolution 18 will be available for inspection at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS and the registered office of the Company from the date of this notice until the close of the Annual General Meeting and will be available at the place of the meeting from 11.45 a.m. until fifteen minutes after the conclusion of the meeting.

**Recommendation:** The directors believe that the proposals set out in the Notice of Annual General Meeting are in the interests of the Company. Accordingly, they unanimously recommend that members vote in favour of each resolution.