

DIRECTOR INDEPENDENCE

1. THE INDEPENDENCE STANDARD

- 1.1 No Director qualifies as "independent" unless the Board of Directors affirmatively determines that the Director has no material relationship with Innospec Inc. or its wholly owned subsidiaries (either directly or as a partner, shareholder or officer of an organisation that has a relationship with the company). These determinations must be disclosed.
- 1.2 The Board has established the following criteria for determining Director independence:
 - 1.2.1 A Director who is an employee, or whose immediate family member is an executive officer, of the company is not independent until three years after the end of such employment relationship.
 - 1.2.2 A Director who receives, or whose immediate family member receives, more than \$100,000 per year in direct compensation from the company, other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than \$100,000 per year in such compensation.
 - 1.2.3 A Director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the company is not "independent" until three years after the end of the affiliation or the employment or auditing relationship.
 - 1.2.4 A Director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the company's present executives serve on that company's compensation committee is not "independent" until three years after the end of such service or the employment relationship.
 - 1.2.5 A Director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payment from, the company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, is not "independent" until three years after falling below such threshold.