

## AUDIT COMMITTEE PRE-APPROVAL POLICY FOR AUDIT & NON-AUDIT SERVICES

### I. PURPOSE OF POLICY

Under the Sarbanes-Oxley Act of 2002 (the "Act"), and the rules of the Securities and Exchange Commission (the "SEC"), the Audit Committee of the Company's Board of Directors (the "Audit Committee"), is required to pre-approve the audit and non-audit services performed by the independent auditor in order to assure that the provision of such services does not impair the auditor's independence. Accordingly, the Audit Committee has adopted this Audit and Non-Audit Services Pre-Approval Policy, which sets forth the procedures and the conditions pursuant to which services to be performed by the independent auditor are to be pre-approved.

### II. IMPLEMENTATION OF POLICY

To implement the provisions of the Act, the SEC has issued rules specifying the types of services that an independent auditor may not provide to its audit client and governing the Audit Committee's administration of the engagement of the independent auditor. Prohibited services are set out in Section IV.

Services permitted to be provided by the independent auditor are set out in Section V. Unless a type of service to be provided by the independent auditor has received general pre-approval at the quarterly meeting of the Audit Committee, it will require specific pre-approval by the Audit Committee. Any proposed services exceeding pre-approved cost levels, as such levels are determined by the Audit Committee at the time such services are pre-approved, will require specific pre-approval by the Audit Committee.

The term of any pre-approval is 12 months from the date of pre-approval, unless the Audit Committee specifically provides for a different period.

The Audit Committee will periodically revise the list of pre-approved services, based on subsequent determinations.

### III. DELEGATION

The Audit Committee may delegate pre-approval authority to the Audit Committee Chairman. The Chairman to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the independent auditor to management.

### IV. PROHIBITED SERVICES

The Audit Committee will not approve nor will the Company's independent auditor perform for the Company any services that constitute Prohibited Activities as defined by the Act or by regulations promulgated by the SEC. These prohibited activities include:

- a. bookkeeping or other services related to the accounting records or financial statements of the Company;

- b. financial information systems design and implementation;
- c. appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- d. actuarial services;
- e. internal audit services;
- f. management functions or human resources;
- g. broker or dealer, investment adviser, or investment banking services;
- h. legal services and expert services unrelated to the audit;
- i. tax services relating to the promotion of aggressive tax structures/products;
- j. transaction related services that involve contingent fees or commission being paid to the independent auditor; and
- k. any other service that the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

## V. NON-PROHIBITED SERVICES

### (a) Audit Services

The annual audit services engagement terms and fees will be subject to the specific pre-approval of the Audit Committee. The Audit Committee will monitor the audit services engagement throughout the year and will also approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, company structure or other matters. The Audit Committee will request that the audit engagement letter with the independent auditor be addressed to the Audit Committee and that the Chairman of the Audit Committee and the Chief Financial Officer execute the engagement letter on behalf of the Company. The audit services include the following:

- the annual financial statement and internal control over financial reporting audits (including required quarterly reviews) and other procedures required to be performed by the independent auditor to be able to form an opinion on the Company's consolidated financial statements;
- services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters, consents), and assistance in responding to SEC comment letters;
- attestation of management reports on internal controls under the Sarbanes-Oxley Act of 2002; and
- consultations by the Company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard setting bodies.

(b) Other Audit and Non-Audit Services

In addition to the annual audit services engagement approved by the Audit Committee, the Audit Committee may grant pre-approval for other audit and non-audit services, which are those services that the Audit Committee believes that the independent auditor reasonably can provide without impairing the independence of the auditor. The other audit and non-audit services set forth below shall be subject to the general pre-approval of the Audit Committee at the cost level as determined by the Audit Committee at the time of such approval. All other audit and non-audit services shall be specifically pre-approved by the Audit Committee.

(i) Audit-Related Services

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are traditionally performed by the independent auditor. The Audit Committee believes that the provision of audit-related services does not impair the independence of the auditor, and shall pre-approve the audit-related services on a quarterly basis. All other audit-related services not approved at the quarterly meeting of the Audit Committee, must be separately pre-approved by the Audit Committee. Audit-related services include the following:

- due diligence services pertaining to potential business acquisitions/dispositions;
- research and consultation regarding accounting and financial reporting transactions;
- financial statement audits of employee benefit plans;
- agreed-upon or expanded audit procedures related to accounting records required to respond to or comply with financial, accounting or regulatory reporting matters;
- internal control reviews and assistance with internal control reporting requirements;
- consultations by the Company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies; and
- attest services not required by statute or regulation.

(ii) Tax Services

The Audit Committee believes that the independent auditor can provide tax services to the Company such as tax compliance, tax planning and tax advice without impairing the auditor's independence. However, the Audit Committee will not permit the retention of the independent auditor in connection with a transaction initially recommended by the independent auditor, the purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committee shall pre-approve any tax services, in accordance with PCAOB Rule 3524, on a quarterly basis. Tax services include the following:

- U.S. federal, state and local tax compliance, planning and advice  
International tax compliance, planning and advice; and
- review of federal, state, local and international income, franchise, and other tax returns.

(iii) Other Non-audit Services

The Audit Committee may grant pre-approval to those permissible non-audit services classified as other non-audit services that it believes are routine and recurring services and would not impair the independence of the auditor. The Audit Committee shall pre-approve the other non-audit services on a quarterly basis. Other non-audit services which are not approved at the quarterly meeting of the Audit Committee must be separately pre-approved by the Audit Committee.

(iv) Provision of Advisory Services to the Trustees of the Innospec Limited Pension Plan

The Audit Committee believes that the independent auditor can provide advisory services to the Trustees of the Innospec Limited Pension Plan without impairing the auditor's independence. The services, which do not require pre-approval, will be disclosed to the Audit Committee on a quarterly basis.

## VI. SUPPORTING DOCUMENTATION

With respect to each proposed pre-approved service, the independent auditor will provide detailed back-up documentation, at the request of the Audit Committee, regarding the specific services to be provided.

## VII. PROCEDURES

Requests or applications to provide services that require separate approval by the Audit Committee will be submitted to the Audit Committee by both the independent auditor and the Company's Chief Financial Officer or other designated officer, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC's rules on auditor independence.

## VIII. GENERAL PRE-APPROVAL OF NON-AUDIT SERVICES

The Audit Committee has pre-approved permissible other audit and non-audit services, as set out in Section V, at a level of cost not exceeding \$25,000 per instance for a maximum of four instances per year.

Other audit and non-audit services that have received general pre-approval shall be reported to the Audit Committee at its scheduled meetings.