



**Innospec Inc.**

**IOSP NASDAQ**

**Chemicals - Specialty**

Market Capitalization USD:

**\$574.98 mm**

**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Patrick S. Williams**

**Age: 47**

**CEO Since: 2009**

	2009	2010	2011
<b>Base Salary</b>	\$675,280	\$763,461	\$801,923
<b>Discretionary Bonus</b>	\$0	\$300,000	\$0
<b>Annual Cash Incentive</b>	\$1,046,500	\$1,121,250	\$1,177,312
<b>Benefits and Perquisites</b>	\$89,029	\$75,900	\$83,201
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$1,810,809</b>	<b>\$2,260,611</b>	<b>\$2,062,436</b>
<b>Increase in Post-Retirement Benefits</b>	\$0	\$0	\$0
<b>Stock Option Awards</b>	\$584,072	\$629,412	\$127,872
<b>Stock Awards</b>	\$87,739	\$484,625	\$486,140
<b>TOTAL COMPENSATION</b>	<b>\$2,482,620</b>	<b>\$3,374,648</b>	<b>\$2,676,448</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$1,010,650	\$1,203,240	\$801,884
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$217,260	\$3,033,112
<b>Value Realized on Vesting of Stock</b>	\$0	\$17,145	\$0
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$0</b>	<b>\$234,405</b>	<b>\$3,033,112</b>

**Proxy Date:** 23 Mar 2012

**Annual Meeting Date:** 9 May 2012

**Equity Reserves:** 8.14%

**Stock Option Run Rate:** 0.08%

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## Performance Comparison

■ S&P500 ■ Industry ■ IOSP



## Peer Comparisons (TRBC) =Chemicals - Specialty

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
IOSP	Innospec Inc.	\$2,482,620	\$3,374,648	\$2,676,448	\$574,981,253
SXT	Sensient Technologies Corporation	\$4,460,286	\$8,401,040	\$8,483,726	\$1,630,188,890
CBT	Cabot Corporation	\$2,202,696	\$5,618,383	\$6,508,454	\$1,620,862,352
SOA	Solutia Inc.	\$5,711,006	\$8,983,888		\$1,566,333,620
CHMT	Chemtura Corporation	\$2,253,135	\$5,711,901		\$963,917,693
FUL	H.B. Fuller Company	\$3,121,212	\$7,325,739	\$2,791,294	\$897,816,317
OMG	OM Group, Inc.	\$1,992,934	\$4,623,249	\$5,026,819	\$839,264,517

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Albemarle, Cambrex, NewMarket, American Vanguard, Chemtura, Polyone, Arch Chemicals, Ferro, Stepan, Ashland, HB Fuller, Cabot, Innophos

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Joachim Roeser	Chairman	58	Male	4	Outside
Milton C. Blackmore	Member	64	Male	2	Outside