



U.S. Department of Justice

Criminal Division

Fraud Section, Suite 4100, Bond Building
1400 New York Avenue, NW
Washington, D.C. 20530

March 5, 2010

10-cr-0061(ESH)

Laurence Urgenson
Kirkland & Ellis LLP
655 15th Street, N.W.
Washington, DC 20005

Re: USA v.
Innospec Inc.

FILED

MAR 18 2010

U.S. DISTRICT COURT CLERK

Dear Mr. Urgenson:

1. This letter sets forth the full and complete plea offer to your client, Innospec Inc. (referred to herein as "Innospec" or the "defendant"). This offer is by the Fraud Section of the Criminal Division of the U.S. Department of Justice (the "Department") and is binding upon it. It does not bind any other state, local, or foreign prosecuting, administrative, or regulatory authority. This plea agreement (the "Agreement") does not apply to any charges other than those specifically described herein. However, the Department will bring this Agreement and the cooperation of Innospec and its subsidiaries to the attention of other prosecuting authorities or other agencies, if requested to do so by Innospec. Upon receipt and execution by or on behalf of Innospec, the executed letter will itself become the Agreement. The terms of the offer are as follows:

2. **Charges:** Pursuant to Fed. R. Crim. P. 11(c)(1)(C), Innospec agrees to waive its right to grand jury indictment and its right to challenge venue in the District Court for the District of Columbia, and to plead guilty to a twelve-count information charging: (a) conspiracy to commit an offense against the United States, in violation of 18 U.S.C. § 371, that is, to commit wire fraud in violation of 18 U.S.C. § 1343; to violate the Foreign Corrupt Practices Act of 1977 ("FCPA"), 15 U.S.C. § 78dd-1 *et seq.*; and to falsify books and records of the company in violation of the FCPA, 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff(a) (Count One); (b) wire fraud, in violation of 18 U.S.C. § 1343 (Counts Two through Six); (c) violating the FCPA, 15 U.S.C. § 78dd-1 and 18 U.S.C. § 2 (Counts Seven through Eleven); and (d) falsification of its books and records, in violation of 15 U.S.C. § 78m(b)(2)(A), 78m(b)(5), 78ff(a) and 18 U.S.C. § 2 (Count Twelve). It is understood that the guilty plea will be based on a factual admission of guilt to the offenses charged and will be entered in accordance with Rule 11 of the Federal Rules of Criminal Procedure. An authorized representative of Innospec will admit that Innospec is in fact guilty of each of the offenses. By virtue of corporate resolution dated March 5, 2010, defendant has authorized this plea and has empowered its General Counsel, and/or its outside counsel, Kirkland & Ellis LLP, to act on its behalf for purposes of this plea. Innospec agrees that

it has the full legal right, power and authority to enter into and perform all of its obligations under this Agreement and it agrees to abide by all terms and obligations of this Agreement as described herein. The attached "Statement of Facts" is a fair and accurate description of the facts the Department believes it can prove through admissible evidence regarding defendant's actions and involvement in the offense. Innospec is pleading guilty because it is guilty of the charges contained in the accompanying Information and admits and accepts responsibility for the conduct described in the Statement of Facts. Prior to the Rule 11 plea hearing, defendant, through counsel, will adopt and sign the Statement of Facts as a written proffer of evidence by the United States.

3. **Potential penalties, assessments, and restitution:** The statutory maximum sentence that the Court can impose for each violation of 18 U.S.C. § 371 is a fine not exceeding \$500,000 or twice the gross pecuniary gain or gross pecuniary loss resulting from the offense, whichever is greatest, 18 U.S.C. § 3571; five years' probation, 18 U.S.C. § 3561; and a mandatory special assessment of \$400, 18 U.S.C. § 3013. The statutory maximum sentence that the Court can impose for each violation of 15 U.S.C. § 78dd-1 is a fine of \$2,000,000 or twice the gross pecuniary gain or gross pecuniary loss resulting from the offense, whichever is greatest, 15 U.S.C. § 78ff(c), 18 U.S.C. § 3571; five years' probation, 18 U.S.C. § 3561; and a mandatory special assessment of \$400, 18 U.S.C. § 3013. The statutory maximum sentence that the Court can impose for each violation of 15 U.S.C. § 78m is a fine not exceeding \$25,000,000 or twice the pecuniary gain or gross pecuniary loss resulting from the offense, whichever is greatest, 15 U.S.C. § 78ff(a), 18 U.S.C. § 3571; five years' probation, 18 U.S.C. § 3561; and a mandatory special assessment of \$400, 18 U.S.C. § 3013. The statutory maximum sentences for multiple counts can be aggregated and may run consecutively.

4. **Federal Sentencing Guidelines:** The parties agree that pursuant to *United States v. Booker*, 543 U.S. 220 (2005), the Court must determine an advisory sentencing guideline range pursuant to the United States Sentencing Guidelines. The Court will then determine a reasonable sentence within the statutory range after considering the advisory sentencing guideline range and the factors listed in 18 U.S.C. § 3553(a). The parties agree that for purposes of determining an advisory sentencing guideline range, the 2007 Sentencing Guidelines apply as follows:

a. **Calculation of Offense Level:**

i. Wire Fraud

Base Offense Level	U.S.S.G. § 2B1.1(a)	6
Specific offense characteristics		
Total value/profit between		
\$20-50 million	U.S.S.G. § 2B1.1(b)(2)	+22
Significant conduct outside U.S./	U.S.S.G. § 2B1.1(b)(9)	
sophisticated means		+2
Total Offense Level		30

ii. FCPA (Antibribery Provisions)

Base Offense Level	U.S.S.G. § 2C1.1(a)(2)	12
Specific offense characteristics		
More than one bribe	U.S.S.G. § 2C1.1(b)(1)	+2
High level official	U.S.S.G. § 2C1.1(b)(2)	+4
Total value/profit between \$7-20 million	U.S.S.G. § 2C1.1(b)(2)	+20
Total Offense Level		38

iii. FCPA (Books and Records Provisions)

Base Offense Level	U.S.S.G. § 2B1.1(a)(1)	7
Total value/profit between \$20-50 million	U.S.S.G. § 2B1.1(b)(1)(M)	24
Significant conduct outside the U.S./ sophisticated means	U.S.S.G. § 2B1.1(b)(9)	2
Total Offense Level		33

iv. Combined Offense Level

Number of units/increase in offense level	U.S.S.G. § 3D1.4	2
COMBINED OFFENSE LEVEL		40

b. Calculation of Culpability Score:

Base Score	U.S.S.G. § 8C2.5(a)	5
Involvement of high-level personnel (200 or more employees)	U.S.S.G. § 8C2.5(b)	+3
Acceptance of responsibility	U.S.S.G. § 8C2.5(g)	-1
Total Culpability Score		7

Multipliers U.S.S.G. § 8C2.6 1.4-2.8

c. **Calculation of Fine Range:**

Base Fine:

Greater of:

(1) the amount from table in U.S.S.G. § 8C2.4 corresponding to offense level of 40

\$72,500,000

or

(2) the pecuniary gain/loss from the offense

\$53,522,070

Base Fine

\$72,500,000

Fine Range U.S.S.G. § 8C2.7

\$101,500,000-203,000,000

d. **Inability to Pay**

U.S.S.G. § 8C3.3(b) provides that a court may impose a fine below that otherwise required pursuant to U.S.S.G. § 8C2.7 if the court finds that the company "is not able and, even with the use of a reasonable installment schedule, is not likely to become able to pay the minimum fine required by § 8C2.7.... *Provided*, that the reduction under this subsection shall not be more than necessary to avoid substantially jeopardizing the continued viability of the organization." The parties agree that the defendant is not able, and with the use of a reasonable installment schedule, is not likely to become able to pay the minimum fine of \$101,500,000 prescribed by the Sentencing Guidelines, particularly in light of fines and other penalties being assessed by other enforcement agencies.

Innospec represents that its total ability to pay all enforcement agencies is \$40,200,000, including \$28,800,000 to be paid on a fixed basis and \$11,400,000 to be paid on a contingent basis, and that, were it to pay more, it would threaten the ongoing viability of the company. In light of the interests of the other enforcement agencies, \$14,100,000 of that amount will be paid to the Department, \$11,200,000 will be paid to the Securities and Exchange Commission, \$2,200,000 will be paid to the Office of Foreign Assets Control, and \$12,700,000 will be paid to authorities in the United Kingdom.

5. **Penalties and Assessments:** Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the Department and the defendant agree that the appropriate sentence in the case, after consideration of (a) the Sentencing Guidelines, primarily the defendant's inability to pay; (b) defendant's recognition and affirmative acceptance of responsibility for its criminal conduct; (c) defendant's cooperation with and assistance in the investigation, including conduct of an internal investigation; (d) defendant's payments of fines or disgorgement in other related proceedings both in the U.S. and in the United Kingdom; (e) defendant's compliance and remediation efforts, including implementation of remedial measures and the termination of employees involved in the misconduct; and (f) the factors set forth in 18 U.S.C. § 3553(a), is a criminal fine in the amount of \$14,100,000 and a special assessment of ~~\$2,800~~. Although this represents a number below the advisory sentencing guideline range, the parties agree and stipulate that under U.S.S.G. § 8C3.3(b), and in light of the fines and penalties assessed by other law enforcement agencies and described in the Department's Sentencing Memorandum, Innospec "is not able and, even with the use of a reasonable installment schedule, is not likely to become able to pay the minimum fine required by § 8C2.7." Defendant acknowledges that no tax deduction may be sought in connection with the payment of this \$14,100,000 penalty. This \$14,100,000 fine and the ~~\$2,800~~ special assessment shall be paid to the Clerk of Court, United States District Court for the District of Columbia, in two ways:

a. **Fixed Payments.** The Defendant shall pay five fixed installments, as follows:

- (i) a payment of \$3,100,000 plus the \$2,800 special assessment within thirty (30) days of sentencing;
- (ii) a payment of \$1,000,000 on or before December 31, 2010;
- (iii) a payment of \$1,000,000 before December 31, 2011;
- (iv) a payment of \$875,000 on or before December 31, 2012; and
- (v) a payment of \$1,725,000 on or before December 31, 2013.

b. In addition to these fixed installments, on or before December 31 of each year beginning with December 31, 2010, Defendant shall pay no less than \$2,500 per metric ton of anti-knock compound (including, but not limited to, tetra ethyl lead, methylcyclopentadienyl manganese tricarbonyl, and ferrocene) sold to the Republic of Iraq in the preceding year, until such time as such payments total \$6,400,000, or this Agreement expires, whichever occurs first.

6. **Organizational Probation:** The parties agree that a five-year term of organizational probation is appropriate in this case and shall include, as a condition of probation, the retention of an independent corporate monitor as described in Attachment D, as well as any other conditions ordered by the Court. Innospec agrees to create and implement a Compliance Code, which, at a minimum, contains all of the obligations and provisions described in Attachment C. The parties further agree that restitution is not required.

7. **Court is Not Bound:** Defendant understands that, if the Court rejects this Agreement, the Court must: (a) inform the parties that the Court rejects the Agreement, (b) advise defendant's counsel that the Court is not required to follow the Agreement and afford defendant the opportunity to withdraw its plea, and (c) advise defendant that if the plea is not withdrawn, the Court may dispose of the case less favorably toward defendant than the Agreement contemplated. Defendant further understands that if the Court refuses to accept any provision of this Agreement, neither party shall be bound by the provisions of the Agreement.

8. **Waiver of Rights:** Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 limit the admissibility of statements made in the course of plea proceedings or plea discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. Defendant expressly warrants that it has discussed these rules with its counsel and understands them. Solely to the extent set forth below, defendant voluntarily waives and gives up the rights enumerated in Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. Specifically, defendant understands and agrees that any statements that it makes in the course of its guilty plea or in connection with this Agreement are admissible against it for any purpose in any U.S. federal criminal proceeding if, even though the Department has fulfilled all of its obligations under this Agreement and the Court has imposed the agreed-upon sentence, Innospec nevertheless withdraws its guilty plea.

a. The parties further agree, with the permission of the Court, to waive the requirement for a pre-sentence report pursuant to Federal Rule of Criminal Procedure 32(c)(1)(A), based on a finding by the Court that the record contains information sufficient to enable the Court to meaningfully exercise its sentencing power. The parties agree, however, that in the event the Court orders the preparation of a pre-sentence report prior to sentencing, such order will not affect the Agreement set forth herein.

b. The parties further agree to ask the Court's permission to combine the entry of the plea and sentencing into one proceeding. However, the parties agree that in the event the Court orders that the entry of the guilty plea and sentencing hearing occur at separate proceedings, such an order will not affect the Agreement set forth herein.

c. If the Court orders a pre-sentence investigation report or a separate sentencing date, the parties agree to waive the time requirements for disclosure of and objections to the pre-sentence investigation report under Fed. R. Crim. P. 32(e), so as to accommodate a sentencing hearing prior to the date that would otherwise apply. At the time of the plea hearing, the parties will suggest mutually agreeable and convenient dates for the sentencing hearing with adequate time for (a) any objections to the pre-sentence report, and (b) consideration by the Court of the pre-sentence report and the parties' sentencing submissions.

9. **Press Releases:** Defendant agrees that if Innospec or any of its subsidiaries issues a press release in connection with this Agreement, defendant shall first consult the Department to determine whether (a) the text of the release is true and accurate with respect to matters between the Department and defendant; and (b) the Department has no objection to the release. Statements at any press conference concerning this matter shall be consistent with this press release.

10. **Sales, Mergers or Transfers:** Except as may otherwise be agreed by the parties hereto in connection with a particular transaction, defendant agrees that in the event it sells, merges or transfers all or substantially all of its business operations, or all or substantially all of operating divisions, as they exist as of the date of this Agreement, whether such sale(s) is/are structured as a stock or asset sale, merger, or transfer, Innospec shall include in any such contract for sale, merger or transfer, a provision fully binding the purchaser(s) or any successor(s) in interest thereto to the obligations described in this Agreement. In considering requests for exemption from or modifications of this requirement, the Department agrees to consider in good faith Innospec's compliance history with respect to the business, and all other relevant facts and circumstances including the need for and cost of compliance with this provision.

11. **Continuing Cooperation:** Innospec shall: (a) plead guilty as set forth in this Agreement; (b) abide by all sentencing stipulations contained in this Agreement; (c) appear, through its duly appointed representatives, as ordered for all court appearances and obey any other ongoing court order in this matter; (d) commit no further crimes; (e) be truthful at all times with the Court; (f) pay the applicable fine and special assessment; and (g) continue to cooperate

fully with the Department, the Federal Bureau of Investigation, the Office of Foreign Assets Control, the Federal Trade Commission, and the U.S. Securities and Exchange Commission, consistent with applicable law and regulation including labor, data protection, and privacy laws. At the request of the Department, Innospec shall also cooperate fully with such foreign law enforcement authorities and agencies, and in such manner, as the parties may agree. Innospec shall truthfully disclose all non-privileged information with respect to the activities of Innospec and its subsidiaries, its present and former directors, officers, employees, agents, consultants, contractors, and subcontractors, concerning all matters relating to corrupt payments in connection with their operations, related books and records and internal controls, about which Innospec has any knowledge and about which the Department, the Federal Bureau of Investigation, the Office of Foreign Assets Control, the Federal Trade Commission, and the U.S. Securities and Exchange Commission, or, at the request of the Department, any mutually agreed upon foreign law enforcement authorities and agencies, shall inquire.

This obligation of truthful disclosure includes the obligation, consistent with applicable law or regulation including labor, data protection, and privacy laws, to provide, upon request, any non-privileged document, record, or other tangible evidence in the custody and control of Innospec, relating to such corrupt payments, books and records, and internal controls about which the aforementioned authorities and agencies shall inquire of Innospec, subject to the direction of the Department where appropriate. In addition, Innospec agrees to recommend orally and in writing that all Innospec officers, directors, employees, agents, and consultants cooperate fully with any investigation or prosecution conducted by any of the aforementioned authorities and agencies relating to corrupt payments and related books and records, sanctions violations, anti-trust violations, and internal controls, including appearing for interviews and testimony in the United States or elsewhere, and shall pay reasonable costs associated with such cooperation. Nothing in this Agreement shall be construed to require Innospec to conduct any further investigation other than as necessary to identify and produce relevant non-privileged documents, records, or other tangible evidence within the custody and control of Innospec.

12. **Remediation:** Innospec agrees, for itself and its subsidiaries, to maintain a compliance and ethics program that includes, at a minimum, the basic components set forth in Attachment C, which is hereby incorporated herein. Innospec's program must be reasonably designed to detect and deter violations of the Foreign Corrupt Practices Act and similar anti-corruption laws, both domestic and foreign, as well as U.S. sanctions laws and regulations; to ensure that its books, records, and accounts, in reasonable detail, accurately and fairly reflect the transactions and dispositions of its assets; and to ensure that it has a system of internal accounting controls sufficient to provide reasonable assurances that: (a) transactions are executed with management's general or specific authorization; (b) transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (ii) to maintain accountability for assets; (c) access to assets is permitted only in accordance with management's general or specific authorization; and (d) the recorded accountability for assets is compared with the

existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

13. **Corporate Monitor:** Innospec agrees to engage an independent corporate compliance monitor (“the Monitor”) within sixty (60) calendar days of signing this Agreement. Within thirty (30) calendar days after the signing of this Agreement, and after consultation with the Department, Innospec will recommend to the Department three qualified Monitor candidates. The Monitor shall have, at a minimum, the following qualifications:

a. Demonstrated expertise with respect to the FCPA, including experience counseling on FCPA issues;

b. Experience designing and/or reviewing corporate compliance policies, procedures, and internal controls, including FCPA-specific policies, procedures, and internal controls;

c. The ability to access and deploy resources as necessary to discharge the Monitor’s duties as described in the Agreement; and

d. Sufficient independence from Innospec to ensure effective and impartial performance of the Monitor’s duties as described in this Agreement.

The Department retains the right, in its sole discretion, to accept or reject any Monitor candidate proposed by Innospec pursuant to the Agreement. In the event the Department rejects a proposed Monitor, Innospec shall propose another candidate within ten (10) calendar days after receiving notice of the rejection. The Department will consult with the Serious Fraud Office of the United Kingdom throughout the process to ensure the Monitor selected is also acceptable to those authorities. This process shall continue until a Monitor acceptable to both parties and the Serious Fraud Office is chosen. The Department may also propose the names of qualified Monitor candidates for consideration. The term of the monitorship, as set forth in Attachment D, shall commence upon the Department’s acceptance of a Monitor candidate proposed by Innospec.

The Monitor will be retained by Innospec for a period of not less than three (3) years from the date the Monitor is selected and shall continue until five (5) years from the date the Monitor is selected, or until all financial obligations described in paragraph 5(b) are completed, whichever occurs first, subject to certain conditions pursuant to which the Department may either reduce or extend the term. The term of the monitorship, including the circumstances which may support a reduction or extension of the term, as well as the Monitor’s powers, duties, and responsibilities will be as set forth in Attachment D. Innospec may not employ or be affiliated with the Monitor for a period of not less than one year from the date of the termination of the monitorship.

14. **Department Concessions:** In exchange for the defendant's guilty plea and the complete fulfillment of all of the defendant's obligations under this Agreement, the Department agrees not to use any information related to the conduct described in the accompanying Information and Statement of Facts, or any other conduct disclosed to the Department prior to the date of this Agreement, against the defendant or any of its present or former subsidiaries, in any criminal case except in a prosecution for perjury or obstruction of justice, in a prosecution for making a false statement after the date of this Agreement, or in a prosecution or other proceeding relating to any crime of violence. In addition, the Department agrees that it will not bring any criminal charge against the defendant, or any of its present or former subsidiaries, for conduct (i) that arises from or relates in any way to the conduct of the defendant or its present and former employees, consultants, and agents alleged in the accompanying Information and Statement of Facts or any similar conduct that took place prior to the date of this Agreement, or (ii) that arises from or relates in any way to information disclosed by the defendant to the Department prior to the date of this Agreement. This paragraph does not provide any protection against prosecution for any corrupt payments, false accounting, sanctions violations, or circumvention of internal controls, if any, made in the future by the defendant, or any of its officers, directors, employees, agents, or consultants, whether or not disclosed by the defendant pursuant to the terms of this Agreement. This Agreement will not close or preclude the investigation or prosecution of any natural persons, including any current or former officers, directors, employees, stockholders, consultants, or agents of the defendant, of its present or future subsidiaries who may have been involved in any of the matters set forth in the accompanying Information or Statement of Facts, or in any other matters. Finally, the Department agrees that it will file a Sentencing Memorandum in support of the proposed agreed-upon sentence that will include a description of (a) relevant facts, (b) the nature of the offenses, and (c) Innospec's cooperation and compliance and remediation measures. The Department further agrees to cooperate with Innospec, in a form and manner to be agreed, in bringing facts relating to the nature of the charges and to Innospec's cooperation, remediation, and its present reliability and responsibility as a government contractor to the attention of other governmental authorities as requested. ✓

15. **Full Disclosure/Reservation of Rights:** In the event the Court directs the preparation of a pre-sentence report, the Department will fully inform the preparer of the pre-sentence report and the Court of the facts and law related to the defendant's case. Except as set forth in this Agreement, the parties reserve all other rights to make sentencing recommendations and to respond to motions and arguments by the opposition.

16. **Waiver of Appeal Rights:** The defendant knowingly, intelligently, and voluntarily waives its right to appeal the conviction in this case. The defendant similarly knowingly, intelligently, and voluntarily waives its right to appeal the sentence imposed by the Court, provided such sentence is consistent with the terms of this Agreement. The defendant waives all defenses based on the statute of limitations and venue with respect to any prosecution that is not time-barred on the date this Agreement is signed in the event that: (a) the conviction is later vacated for any reason; (b) the defendant violates this Agreement; or (c) the plea is later

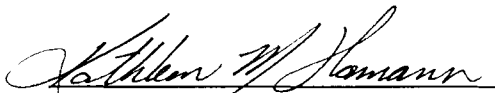
withdrawn. The Department is free to take any position on appeal or any other post-judgment matter.

17. **Breach of Agreement:** The defendant agrees that if it fails to comply with any of the provisions of this Agreement, makes false or misleading statements before the Court, commits any further crimes, or attempts to withdraw the plea after sentencing even though the Department has fulfilled all of its obligations under this Agreement and the Court has imposed the sentence (and only the sentence) provided in this Agreement, the Department will have the right to characterize such conduct as a breach of this Agreement. In the event of such a breach, (a) the Department will be free from its obligations under the Agreement and may take whatever position it believes appropriate as to the sentence (for example, should the defendant commit any conduct after the date of this Agreement – examples of which include but are not limited to, obstruction of justice and false statements to law enforcement agents, the probation office, or the Court – the Department is free under this Agreement to seek an increase in the sentence based on that post-Agreement conduct); (b) the defendant will not have the right to withdraw the guilty plea; (c) the defendant shall be fully subject to criminal prosecution for any other crimes which it has committed or might commit, if any, including perjury and obstruction of justice; and (d) the Department will be free to use against defendant, directly and indirectly, in any criminal or civil proceeding any of the information or materials provided by defendant pursuant to this Agreement, as well as the admitted Statement of Facts.

In the event of such breach, any such prosecutions of the defendant not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the defendant in accordance with this paragraph, notwithstanding the running of the applicable statute of limitations in the interval between now and the commencement of such prosecutions. The defendant knowingly and voluntarily agrees to waive any and all defenses based on the statute of limitations for any prosecutions commenced pursuant to the provisions of this paragraph.

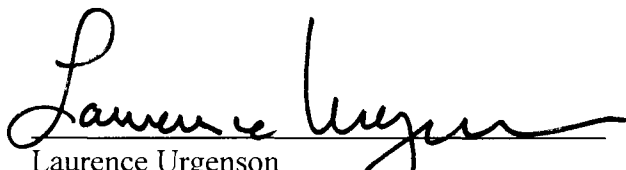
18. **Complete Agreement:** No agreements, promises, understandings, or representations have been made by the parties or their counsel other than those contained in writing herein, nor will any such agreements, promises, understandings, or representations be made unless committed to writing and signed by the defendant, the defendant's counsel, and an attorney for the U.S. Department of Justice, Criminal Division, Fraud Section. If the foregoing terms and conditions are satisfactory, Innospec may indicate its assent by signing the Agreement in the space indicated below and returning the original once it has been signed by Innospec and its counsel.

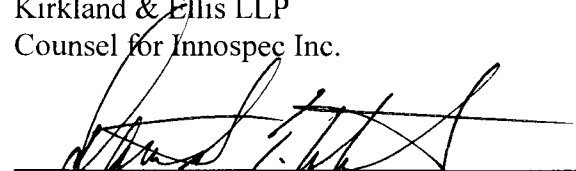
DENIS J. MCINERNEY
Chief
Fraud Section, Criminal Division

By: 
Kathleen M Hamann, Trial Attorney
Fraud Section, U.S. Department of Justice
1400 New York Avenue, N.W.
Washington, D.C. 20005

AGREED:

FOR INNOSPEC INC:


Laurence Urgenson
Kirkland & Ellis LLP
Counsel for Innospec Inc.


David E. Williams
Vice President and General Counsel
Innospec Inc.

Signed at Washington, D.C., on this 5th day of March, 2010.

OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with counsel for Innospec Inc. ("Innospec"). I understand the terms of this Agreement and voluntarily agree, on behalf of Innospec, to each of its terms. Before signing this Agreement, I consulted with the attorney for Innospec. The attorney fully advised me of the rights of Innospec, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

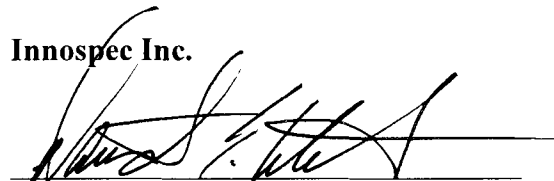
I have carefully reviewed this Agreement with the Board of Directors of Innospec. I have advised, and caused outside counsel for Innospec to advise, that Board fully of the rights of Innospec, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of Innospec, in any way to enter into this Agreement. I am also satisfied with the attorney's representation in this matter. I certify that I am an officer of Innospec and that I have been duly authorized by Innospec to execute this Agreement on behalf of Innospec.

Date: March 5, 2010

Innospec Inc.

By:

A handwritten signature in black ink, appearing to read "David E. Williams", is written over a horizontal line.

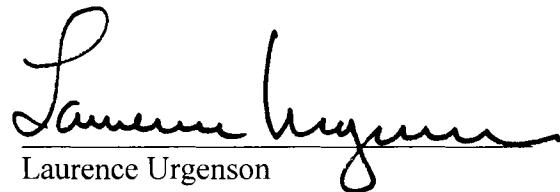
David E. Williams

Vice President and General Counsel

CERTIFICATE OF COUNSEL

I am counsel for Innospec Inc. ("Innospec") in the matter covered by this Agreement. In connection with such representation, I have examined relevant Innospec documents and have discussed this Agreement with the Innospec Board of Directors. Based on my review of the foregoing materials and discussions, I am of the opinion that: the representative of Innospec has been duly authorized to enter into this Agreement on behalf of Innospec and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of Innospec and is a valid and binding obligation of Innospec. Further, I have carefully reviewed this Agreement with the Board of Directors and General Counsel of Innospec. I have fully advised them of the rights of Innospec, of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into this Agreement. To my knowledge, the decision of Innospec to enter into this Agreement is an informed and voluntary one.

Date: March 5, 2010

A handwritten signature in cursive script, appearing to read "Laurence Urgenson", written over a horizontal line.

Laurence Urgenson
Kirkland & Ellis LLP
Counsel for Innospec Inc.

USA v. INNOSPEC, INC.

10-cr-61(ESH)

ATTACHMENT A

STATEMENT OF FACTS

FILED

MAR 18 2010

U.S. DISTRICT COURT

The following Statement of Facts is incorporated by this reference as part of the plea agreement (the "Agreement") between the United States Department of Justice, Criminal Division, Fraud Section (the "Department") and Innospec Inc. ("Innospec") and the parties hereby agree and stipulate that the following information is true and accurate. As set forth in Paragraph 2 of the Agreement, Innospec admits, accepts, and acknowledges that it is responsible for the acts of its officers, employees, and agents described below. If this matter were to proceed to trial, the United States would prove beyond a reasonable doubt, by admissible evidence, the following:

BACKGROUND

Relevant Entities and Individuals

1. INNOSPEC INCORPORATED, previously known as Octel Corporation, ("INNOSPEC"), was a Delaware company with executive offices in the United Kingdom. INNOSPEC was engaged in the manufacture and sale of fuel and power-related chemicals such as gasoline additives, including tetraethyl lead ("TEL"). INNOSPEC issued and maintained a class of publicly-traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78l), which were traded on the NASDAQ after March 22, 2006. Prior to March 22, 2006, INNOSPEC's securities were traded on the New York Stock Exchange. As a result, INNOSPEC was required to file periodic reports with the United States Securities and Exchange Commission under Section 13 of the Securities Exchange Act (15 U.S.C. § 78m). Accordingly, INNOSPEC was an issuer organized under the laws of the United States, within the meaning of the Foreign Corrupt Practices Act of 1977 ("FCPA"), 15 U.S.C. § 78dd-1(a) and (g).

2. Innospec Limited, previously known as Associated Octel Company, Ltd. ("Limited"), a wholly-owned subsidiary of INNOSPEC, also manufactured and sold fuel and power-related chemicals, including TEL. Limited was headquartered in Ellesmere Port in the United Kingdom.

3. Alcor Chemie Vertriebes GmbH ("Alcor"), a wholly-owned subsidiary of INNOSPEC incorporated in Switzerland, also manufactured and sold TEL. Alcor was headquartered in Zug, Switzerland, and maintained a manufacturing plant in the Federal Republic of Germany until in or around March 2002.

4. Innospec Sweden AB, previously known as Bycosin AB, Octel Sweden AB, and the Bycosin Group ("Bycosin"), a which was purchased in 2001 and became a wholly-owned subsidiary of INNOSPEC, manufactured and sold oil soluble fuel additives. It was headquartered in Sweden and had operations in multiple countries, including Mexico.

5. Bycosin Sociedad Anonima ("Bycosin SA"), a wholly-owned subsidiary of INNOSPEC, sold oil soluble fuel additives to Cuba. It was headquartered in Morelia, Mexico.

6. The Iraqi Ministry of Oil (the "MoO") and its component refineries and directorates were customers of INNOSPEC and Alcor. The MoO, including all its refineries, was a department, agency, and instrumentality of the Government of the Republic of Iraq within the meaning of the FCPA, 15 U.S.C. § 78dd-1(f)(1)(A).

7. Ousama M. Naaman acted as the agent for INNOSPEC and Alcor in Iraq and elsewhere beginning in at least 1995 and maintained his principal offices in Abu Dhabi, United Arab Emirates. On behalf of INNOSPEC and Alcor, Naaman negotiated contracts with the MoO to provide TEL to the oil refineries operating in Iraq.

8. Interact s.a.r.l. and Tawam Commercial Est. were companies controlled by Naaman, which acted as INNOSPEC's agents in Iraq and were used to facilitate the payment of kickbacks and bribes to and for the benefit of officials of the MoO and the Government of Iraq.

9. "Executive A," a British citizen, was the Chief Executive Officer of INNOSPEC and Limited until in or around April 2005.

10. "Executive B," a United States citizen, was a senior executive of INNOSPEC after in or around December 2002.

11. "Alcor Manager," a German citizen, was the General Manager of Alcor.

12. "Director," a British citizen, was a division managing director for INNOSPEC.

13. "Employee A," a South African citizen, was supply chain director for INNOSPEC.

14. "Employee B" was Chairman of Bycosin SA.

15. "Official A," an Iraqi citizen, was a senior official in the MoO.

16. "Official B," an Iraqi citizen, was a senior official in the MoO.

17. "Official C," an Iraqi citizen, was a senior official in the MoO.

18. "Cuban Agent," an Italian citizen and a Specially Designated National, was Bycosin's agent in Cuba.

The United Nations Oil-for-Food Program

19. On or around August 6, 1990, days after Iraq's invasion of Kuwait, the U.N. adopted Security Council Resolution 661, which prohibited U.N. member states from transacting business with Iraq, except for the purchase and sale of humanitarian supplies. Resolution 661 prohibited virtually all direct financial transactions with the government of Iraq.

20. On or around April 15, 1995, the U.N. adopted Security Council Resolution 986, which provided a limited exception to the Iraq sanctions regime in that it allowed Iraq to sell its oil. However, Resolution 986 required that the proceeds of oil sales be used by the Iraqi government to purchase humanitarian supplies for the Iraqi people, including food and equipment to maintain and service Iraq's oil sector. Hence, this program became known as the Oil for Food Program. Payments made to the Iraqi government which were not approved by the U.N. and which were outside the strict contours of the OFFP were prohibited.

21. The rules of the OFFP required that the proceeds from all sales of Iraqi oil be deposited into a U.N.-controlled escrow account at the New York branch of Banque Nationale de Paris ("BNP-Paribas"). That escrow account funded the purchase of humanitarian goods by the Iraqi government.

22. Under the provisions of the OFFP, a supplier of humanitarian goods contracted with a ministry or other department of the Iraqi government to sell goods to the Iraqi government. Once that contract was finalized, the contract was submitted to a U.N. Committee (the "661 Committee") which reviewed the contracts to ensure that their terms complied with all OFFP and Iraqi sanction regulations. The 661 Committee accepted the contracts, rejected them, or asked the supplier to provide additional information upon which the committee could make a decision.

23. If a contract was approved by the 661 Committee, a letter of credit was issued by the New York branch of BNP-Paribas to the supplier's bank stating that the supplier would be paid by the OFFP for the relevant goods once certain conditions were met, including delivery of the goods to Iraq and inspection of the goods by a U.N. contractor. Once those conditions were deemed by the U.N. to have been met, the U.N. would direct BNP-Paribas to release payment to the supplier.

24. On or around December 10, 1996, the first Iraqi oil exports under the OFFP began. The OFFP continued from in or around December 1996 until the United States invasion of Iraq on or around March 19, 2003. From in or around December 1996 through March 2003, the United States government prohibited United States companies and individuals from engaging in transactions with the government of Iraq, unless such transactions were authorized by the U.N. pursuant to the OFFP. 31 C.F.R. § 575.201, *et seq.*

25. Beginning in approximately August 2000, the Iraqi government demanded that suppliers of humanitarian goods pay a kickback, usually valued at 10% of the contract price, to the Iraqi government in order to be awarded a contract by the government. These kickbacks violated U.N. OFFP regulations and U.N. sanctions which prohibited payments to the Iraqi government which were not expressly approved by the U.N. and which were not contemplated by OFFP guidelines.

26. Often, these kickbacks were termed "after sales service fees" ("ASSFs"). They did not, however, involve the performance of any actual service by the supplier. Typically, these ASSFs were included in the contract price submitted by the supplier to the U.N. without disclosing to the U.N. the fact that the contract contained an extra 10% which would be kicked back to the Iraqi government. Including the 10% in the submitted contract price allowed the supplier to avoid paying the 10% out of its profits; instead, the suppliers caused the U.N., unknowingly, to fund the kickbacks to the Iraqi government.

27. In many cases, during or after contract negotiations, the Iraqi government asked the supplier to sign an auxiliary contract, usually called a "side letter," memorializing the supplier's commitment to pay the ASSFs. These side letters usually stated explicitly that the supplier agreed to pay a set amount, approximately 10% of the contract price, to the Iraqi government in advance of the arrival of the goods in Iraq.

28. Some suppliers described the ASSFs as such in the contracts submitted to the U.N. for approval, thereby leading the U.N. to believe that actual after-sales services were being provided by the supplier. Other suppliers disguised the ASSFs by inserting fictitious line items into the contracts for goods or services that were not being provided. Still other suppliers simply inflated their contract prices by 10% to account for the payments they would make, or cause to be made, to the Iraqi government.

The Foreign Corrupt Practices Act

29. The Foreign Corrupt Practices Act of 1977 ("FCPA"), Title 15, United States Code, Sections 78dd-1, *et seq.*, was enacted by Congress for the purpose of, among other things, making it unlawful for certain classes of persons and entities to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign government official for the purpose of securing any improper advantage, or of obtaining or retaining business for, or directing business to, any person.

The Cuban Embargo Law

30. Congress authorized the President to declare and enforce comprehensive trade embargoes against certain foreign nations pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 1, *et seq.* The Cuban Assets Control Regulations, promulgated in 1963 under the Trading with the Enemy Act and effective through the present date, establish such an embargo against

Cuba, 31 C.F.R. § 515.101, *et seq.* The regulations prohibit all commercial transactions with Cuba or Cuban nationals except when a license or authorization has been issued by the Secretary of the Treasury or his designee.

31. Each year since 1977, including the current year, as required by TWEA, the President of the United States has determined that the continuation of the Cuban Assets Control Regulations was in the national interest of the United States.

32. The United States Office of Foreign Assets Control publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals." Their assets are blocked and U.S. persons are generally prohibited from dealing with them.

Payments to the Government of Iraq

33. On or around November 23, 2000, Alcor Manager signed a contract on behalf of Alcor with Naaman, which provided that Naaman would be Alcor's sole agent under the OFFP, and would receive a 2% commission on sales above \$7,000 per metric ton.

34. On December 14, 2001, Alcor Manager sent a letter to Naaman increasing his "commission" by 12%. This increase was comprised of the 10% kickback to the Iraqi government and an additional 2% commission for Naaman for delivering the kickback, all above and beyond Naaman's usual 2% commission.

Contract 830584

35. On or around March 19, 2001, Naaman submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Basrah Refinery. The bid was in the name of Alcor Manager on behalf of Alcor. The bid listed a price of €7,800 per metric ton.

36. On or around March 19, 2001, the MoO issued a purchase order for the sale of TEL on the same tender. The purchase order specified a price of €8,580 per metric ton, a 10% increase over the bid.

37. On or around April 16, 2001, Naaman signed a side letter on behalf of Alcor promising to pay a kickback of €381,888 to the Iraqi government in exchange for being awarded Contract 830584.

38. On or around April 25, 2001, Naaman, acting on behalf of Alcor, signed a contract with the MoO for the provision of TEL to Basrah Refinery, subsequently referenced by the U.N. as Contract 830584, with a total contract price of €4,200,768. This total included the

extra 10% fee promised in the side letter. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through Naaman and his companies.

39. On or around August 30, 2001, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Union Bank of Switzerland in Zurich, Switzerland, notifying it of the issuance of a letter of credit in favor of Alcor, authorizing the eventual payment of €4,200,768 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 830584.

40. On or around March 4, 2002 and April 2, 2002, the arrival of a shipment of Alcor's TEL in Iraq caused a company based in Geneva, Switzerland, that provided commercial inspection services on behalf of the U.N. in Iraq ("the inspection company"), to send from Iraq to the U.N. in New York, via international wire communication, notification that the TEL purchased pursuant to Contract 830584 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 830584.

41. On or around December 20, 2001, Alcor paid Naaman approximately €39,312 in agent's fees and €196,560 to reimburse him for kickbacks paid on Contract 830584.

42. On or around January 17, 2002, Alcor paid Naaman approximately €37,065.60 in agent's fees and €185,328.00 to reimburse him for kickbacks paid on Contract 830584.

43. On or around April 8, 2002 and April 30, 2002, by international wire communication, BNP-Paribas transferred a total of approximately €4,186,195.99 to Alcor's account in the Union Bank of Switzerland in Zurich, Switzerland, in payment for Contract 830584.

44. On or around May 7, 2002, Alcor paid Naaman approximately €76,377.60 in agent's fees on Contract 830584.

Contract 930208

45. On or around March 29, 2001, Naaman submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Daura Refinery. The bid was in the name of Alcor Manager on behalf of Alcor. The bid listed a price of €7,850 per metric ton.

46. On or around March 29, 2001, Naaman submitted another bid for the sale of TEL on the same tender. The bid was in the name of Alcor Manager on behalf of Alcor. The bid listed a price of €8,700 per metric ton, an 11% increase over the original bid.

47. On or around May 31, 2001, Naaman sent a fax to Alcor Manager, requesting that he sign the contract for the Daura Refinery tender. Naaman stated in the letter that the contract

price includes a "2% + 2%" commission for his company and an additional 10% described as "Additional Money for Third Party Reimbursement."

48. On or around June 2, 2001, Alcor Manager signed a side letter on behalf of Alcor promising to pay a kickback of €255,000 to the Iraqi government in exchange for being awarded Contract 930208.

49. On or around June 3, 2001, Alcor Manager signed a contract with the MoO for the provision of TEL to Daura Refinery, subsequently referenced by the U.N. as Contract 930208, with a total contract price of €2,610,000, which included the extra 10% fee promised in the side letter. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through Naaman and his companies.

50. At a meeting in France on or around August 31, 2001, Naaman advised Executive A and Alcor Manager that each contract would have an additional 10% added on to the sale price, which would be "reimbursed to the client" via a bank guarantee established at the Bank of Beirut in Lebanon.

51. On or around September 7, 2001, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Union Bank of Switzerland in Zurich, Switzerland, notifying it of the issuance of a letter of credit in favor of Alcor, authorizing the eventual payment of €2,610,000 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 930208.

52. On or around March 19, 2002, Rafidahn Bank in Beirut requested that Rafidahn Bank in Baghdad credit €255,000 to "Al Daura Refinery/Baghdad" from "Bank of Beirut-Beirut."

53. On or around May 31, 2002, the arrival of a shipment of Alcor's TEL in Iraq caused the inspection company to send from Iraq to the U.N. in New York, via international wire communication, notification that the Alcor products purchased pursuant to Contract 930208 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 930208.

54. On or around June 25, 2002, by international wire communication, BNP-Paribas transferred a total of approximately €2,600,740.77 to Alcor's account in the Union Bank of Switzerland in Zurich, Switzerland, in payment for Contract 930208.

Contract 930299

55. On or around May 11, 2001, Naaman submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Baiji Refinery. The bid was in the name of Alcor Manager on behalf of Alcor. The bid listed a price of €8,330 per metric ton.

56. On or around May 11, 2001, Naaman submitted another bid for the sale of TEL on the same tender. The bid was in the name of Alcor Manager on behalf of Alcor. The bid listed a price of €9,164 per metric ton, a 10% increase over the original bid.

57. In or around mid-2001, Naaman signed a side letter on behalf of Alcor promising to pay a kickback of €663,652 to the Iraqi government in exchange for being awarded Contract 930299.

58. On or around July 8, 2001, Alcor Manager signed a contract with the MoO for the provision of TEL to Baiji Refinery, subsequently referenced by the U.N. as Contract 930299, with a total contract price of €7,291,000, which included the extra 10% fee promised in the side letter. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through Naaman and his company.

59. On or around October 17, 2001, Alcor sent a fax, via an international electronic wire communication, from its offices in Switzerland to the Office of the Iraq Program of the United Nations in New York, amending the contract to increase its total value to €16,495,200.

60. On or around December 5, 2001, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Central Bank of Iraq in Baghdad, Iraq, notifying it of the issuance of a letter of credit in favor of Alcor, authorizing the eventual payment of €16,495,200 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 930299.

61. On or around April 13, 2002, Rafidahn Bank in Beirut requested that Rafidahn Bank in Baghdad credit €280,724 to "Ministry of Oil / North Refineries – Baiji" from "Bank of Beirut-Beirut."

62. On or around April 22, 2002, Rafidahn Bank in Beirut requested that Rafidahn Bank in Baghdad credit €138,450 to "North Refineries" from "Bank of Beirut-Beirut."

63. On or around April 9, 2002, April 14, 2002, April 22, 2002, May 8, 2002, May 24, 2002, and June 18, 2002, the arrival of a shipment of Alcor's TEL in Iraq caused the inspection company to send from Iraq to the U.N. in New York, via international wire communication, notification that the Alcor products purchased pursuant to Contract 930299 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 930299.

64. On or around May 7, 2002, May 13, 2002, May 31, 2002, June 19, 2002, and July 11, 2002, by international wire communication, BNP-Paribas transferred a total of approximately €16,415,325.32 to Alcor's account in the Union Bank of Switzerland in Zurich, Switzerland, in payment for Contract 930299.

65. In or around 2002, INNOSPEC, through Alcor, paid Naaman a total of approximately €1,501,200 to reimburse him for kickbacks paid under Contract 930299.

Contract 1230520

66. On or around July 31, 2002, Naaman submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Daura Refinery. The bid was in the name of Alcor Manager on behalf of Alcor. The bid listed a price of €10,437 per metric ton, which included the extra 10% kickback to the Iraqi government. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through Naaman and his company.

67. On or around November 3, 2002, Naaman signed a side letter on behalf of Alcor promising to pay a kickback of €284,652 to the Iraqi government in exchange for being awarded Contract 1230520.

68. On or around December 4, 2002, Alcor Manager signed a contract with the MoO for the provision of TEL to Daura Refinery, subsequently referenced by the U.N. as Contract 1230520, with a total contract price of €3,131,100, which included the extra 10% fee.

69. On or around February 5, 2003, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Central Bank of Iraq in Baghdad, Iraq, notifying it of the issuance of a letter of credit in favor of Alcor, authorizing the eventual payment of €3,131,000 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 1230520.

70. On or around July 11, 2003, the arrival of a shipment of Alcor's TEL in Iraq caused the inspection company to send from Iraq to the U.N. in New York, via international wire communication, notification that the Alcor products purchased pursuant to Contract 1230520 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 1230520.

71. On or around July 22, 2003, by international wire communication, BNP-Paribas transferred a total of approximately €3,123,342.43 to Alcor's account in the Union Bank of Switzerland in Zurich, Switzerland, in payment for Contract 1230520. INNOSPEC did not pay the promised kickbacks, but instead kept the additional 10% and incorporated it into its books as profit.

72. In or around mid-2003, INNOSPEC, through Alcor, paid Naaman approximately €100,199.77 in commissions on Contract 1230520.

Contract 1230533

73. On or around September 1, 2002, Naaman submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Baiji Refinery at a price of €10,437.90 per metric ton, which included the extra 10% kickback to the Iraqi government. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through Naaman and his company.

74. On or around November 3, 2002, Naaman signed a side letter on behalf of Alcor promising to pay a kickback of €1,708,020 to the Iraqi government in exchange for being awarded Contract 1230533.

75. On or around November 25, 2002, Alcor Manager signed a contract with the MoO for the provision of TEL to Baiji Refinery, subsequently referenced by the U.N. as Contract 1230533, with a total contract price of €18,788,220, which included the extra 10% fee.

76. On or around February 11, 2003, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Central Bank of Iraq in Baghdad, Iraq, notifying it of the issuance of a letter of credit in favor of Alcor, authorizing the eventual payment of €18,788,220 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 1230533.

77. On or around July 15, 2003; August 19, 2003; August 22, 2003; October 10, 2003; and November 7, 2003, the arrival of a shipment of Alcor's TEL in Iraq caused the inspection company to send from Iraq to the U.N. in New York, via international wire communication, notification that the Alcor products purchased pursuant to Contract 1230533 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 1230533.

78. On or around August 4, 2003; September 4, 2003; October 21, 2003; and November 20, 2004, by international wire communication, BNP-Paribas transferred a total of approximately €18,734,849.00 to Alcor's account in the Union Bank of Switzerland in Zurich, Switzerland, in payment for Contract 1230533. INNOSPEC did not pay the promised kickbacks, but instead kept the additional 10% and incorporated it into its books as profit.

79. On or around late 2003 through early 2004, INNOSPEC, through Naaman, paid approximately €601,218.13 in commissions on Contract 1230533.

Payments to Officials of the Government of Iraq

2004 Long Term Purchase Agreement

80. On or around October 15, 2004, Alcor Manager and Officials A and B executed a contract for the provision of TEL to Iraq, referred to as a "Long Term Purchase Agreement."

81. On or around October 10, 2005, an employee of Naaman emailed Alcor Manager and Director, referencing an order for 740 metric tons of TEL from the MoO pursuant to the Long Term Purchase Agreement, and stating that the letter of credit for payment on the order would be opened immediately, "provided we share [with Iraqi officials] half the currency fluctuation rate (4.5%) which makes it a minimum of 2% to their favor..." He went on to state, "We are sharing most of our profits with Iraqi officials."

82. On or around October 12, 2005, Naaman emailed Executive B, Alcor Manager, and Director, stating "With [Director's] instructions, we proceeded, as we don't want to discuss this issue in writing any further because it is so delicate, and as per [Director's] instructions that we don't elaborate in writing, for which I agree. [Director] is going to agree with you on a text that you will sign and send back to us (3 + 2)."

83. On or around October 13, 2005, Director emailed Naaman confirming that the "3 + 2" commission would be paid.

84. On or around October 20, 2005, Director emailed Naaman language to use in a falsified invoice for reimbursement of the 2% payment for the Iraqi officials, which totaled approximately \$195,912.78.

85. In or around December 2005 and January 2006, INNOSPEC paid Naaman a total of approximately \$195,912.78 to reimburse him for the payments to the Iraqi officials.

86. On or around February 5, 2006, Naaman emailed Director regarding an order for 2000 metric tons of TEL from the MoO pursuant to the Long Term Purchase Agreement, stating that the letter of credit would be opened "provided we add up the 2% like last time." Naaman noted that the Iraqi officials wanted their share paid in advance and stated, "Once, I received [sic] your go signal in writing, even in email, I will proceed with my payment."

87. On or around February 10, 2006, Director authorized Naaman to make the payment.

88. From in or around August through September 2006, INNOSPEC paid Naaman approximately €210,000 to reimburse him for the payments to the Iraqi officials.

89. In or around January 2007, INNOSPEC paid Naaman approximately \$139,650 to reimburse him for the payments to the Iraqi officials.

MMT Test

90. On or around September 13, 2006, Naaman emailed Director, advising him that the MoO was testing MMT and, if it passed the test, the MoO would purchase 350 metric tons of MMT, reducing the amount of TEL the MoO would purchase from INNOSPEC, stating, "My advise [sic] is to follow my plan on the testing of the MMT... and to move forward immediately on the implementation to make the test fail, so there will be no more MMT order."

91. On or around September 16, 2006, Naaman faxed Director a letter, attaching a falsified invoice for \$105,000, to cover "payment for additional technical support and security operations required to nurture and protect the ongoing TEL business in Iraq."

92. On or around September 18, 2006, Director approved the falsified invoice for payment through Alcor, with the note, "Best to allocate to agents commissions."

93. On or around February 28, 2007, Naaman sent a letter to Director enclosing an English translation of the MoO field trial test for MMT, and noting that MMT had failed the test. Naaman wrote that in order to ensure that MMT failed the test, he "had to pay an additional fee to make sure that the report will come to our advantage." Naaman requested an "additional \$50,000/- cost incurred.... Accordingly, enclosed is Interact's invoice for the additional amount...." and attached a falsified invoice from Naaman's company, Interact S.A.R.L., requesting payment of \$50,000 for "training of Daura Refinery blending unit team in Jordan..."

94. On or around March 21, 2007, Naaman sent an email to Director noting that the payment of the additional \$50,000 was still outstanding.

95. In or around late September 2006 and April 3, 2007, INNOSPEC paid Naaman a total of approximately \$155,000 to reimburse him for the payments to the Iraqi officials.

2008 Long Term Purchase Agreement

96. In or around 2007, INNOSPEC, through Naaman, began negotiations for a new Long Term Purchase Agreement.

97. On March 21, 2007, Naaman emailed Director, noting that the payments to Iraqi officials to secure the failure of the MMT test "was not the real cost of rejecting MMT... The real cost should be the increase of our remuneration on TEL for future business, i.e. the remaining 2000 tons of fiscal year 2007 and the new LTPA will be 5%. This additional money will cover my promise to these people for the loss of their remuneration from MMT, which is a very small

price we are paying versus the loss of my money and your money if MMT were admitted in. I trust that you will approve this, as I have already promised them...”

98. On November 20, 2007, Naaman sent Director a chart of bidders on an official tender for TEL, noting, “Please keep this information extremely confidential as nobody have [sic] yet leaked this information in public. It is only with the Minister of Oil and key personnel from the Ministry of Oil...”

99. On or around November 20, 2007, Naaman emailed Director, stating “Remuneration - have to be raised up to keep everybody on board, happy and satisfied. I suggest that if you want to raise the price to the \$18,000 level, then to give us a higher remuneration percentage to read seven pct (7%) for a target price of \$18,000 plus. This will leave me a way to negotiate in my next meeting with them, based on your directions set up last July in Nice meeting [sic], i.e. remuneration vs. volume and price.”

100. In or around January 2008, Naaman and Director traveled to Lebanon to finalize negotiation of the Long Term Purchase Agreement and on or around January 24, 2008, Naaman, Director, and Official A executed the agreement pending approval of the Minister of Oil.

101. On or around June 1, 2008, the Long Term Purchase Agreement entered into effect.

102. On or around January 29, 2009, the MoO opened a letter of credit in favor of Alcor for a total of \$17,000,000.

Travel

103. In or around Summer 2002, Naaman, INNOSPEC, and Alcor Manager offered the MoO a visit by eight officials of the Iraqi government to Zug, Switzerland, during which the officials would spend one morning on a visit to Alcor’s Swiss offices and four days sightseeing. In arranging the trip with Alcor Manager, Naaman stated, “...concerning the invitation to Iraqi Delegation to visit Switzerland for training and technical knowledge by in principle one morning office visit and rest, Tourism.” He also noted, “This is a good opportunity for Alcor to receive the delegation specially that the goods have been delivered for all refineries in Iraq, South, Midland and North Refineries, which will give you a support [sic] for the current tenders under Phase No. 11 and future business.” Estimated cost of the offered visit was \$36,500, including \$9,000 in “pocket money,” cash to be given directly to the officials.

104. In or around early 2005, Naaman emailed Alcor Manager, Director, and Employee A regarding the travel of Iraqi officials to the United Kingdom, including Official B. In arranging the trip with Employee A, an employee of Naaman stated, “Kindly arrange for 8 envelopes with the name of each delegate. In each envelope, put GBP 1,000/- except for the envelope for [Official B], put GBP 2,000/- since he is the delegation head. [Employee A] can

personally give this to each delegate upon arrival in UK. Please arrange to give the tour guide...enough petty cash to spend with the Iraqi delegates..."

105. In or around June 2005, in connection with the trip to the United Kingdom, INNOSPEC spent approximately \$11,050 on transportation; \$8,705 on accommodations for ten nights; and \$10,000 in "pocket money," cash given directly to the officials, for a total of approximately \$29,755.

106. On or around March 15, 2006, an employee of Naaman emailed Director regarding reimbursement for a three-day trip of Officials B and C to Dubai. The employee stated, "[T]he pocket money of the delegates has been paid by Mr. Naaman through myself, but what we invoiced you is only the official pocket money... I can confirm to you that what Mr. Naaman has paid to each delegates [sic] pocket money and shopping expenses which is more than the total amount in the invoice we sent."

107. On or around March 31, 2006, INNOSPEC paid Naaman approximately \$13,750 to reimburse him for the costs of the travel of Officials B and C to Dubai, including \$3,000 in "per diem" payments.

108. On or around August 2, 2006, Naaman emailed Director regarding the travel of Official C to Amman. Naaman stated, "...you know this man is high official [sic] employee; he is the deputy Minister of Oil responsible for all refineries business. We should accommodate him to his program as he is doing us a favour by coming... and risking his career. After you finish the meeting with him by the 13th, he will be travelling [sic] on your account to Thailand for one week with his wife..."

109. On or around August 2, 2006, Director emailed an employee of Naaman, confirming that INNOSPEC would pay for Official C's vacation with his wife in Thailand .

110. On or around August 7, 2006, Director emailed an employee of Naaman, stating, "As regards payment, please send the invoice to me and I will arrange this... however, I do not want to see an invoice for the tickets for his holiday and spending money, rather, I would be grateful if you could send me an invoice for the \$13,076 along the lines of "payment for airfares for trip to Amman for [Official C and his wife] for business discussions..."

111. On or around August 11, 2006, INNOSPEC paid Naaman approximately \$13,076 to reimburse him for the costs of the travel of Official C and his wife to Thailand, including \$5,000 in "pocket money."

112. On or around January 30, 2008, Naaman invoiced Alcor for reimbursement of \$34,480 to cover the cost of the travel of the three Iraqi MoO officials to Lebanon for the half-day meeting to finalize the 2008 Long Term Purchase Agreement, including hotel accommodations for six days, \$1,800 for "Entertainment, lunches, & dinners in Lebanon,"

\$1,650 for “mobile phone cards for international calling + 3 cameras,” and \$15,000 in “pocket money.”

Books and Records

113. In order to conceal the kickback payments to the Iraqi government for contracts under the OFFP on the books and records of Alcor, on or around December 19, 2001, January 19, 2002, and February 11, 2002, Naaman sent Alcor invoices misrepresenting the kickbacks on Contracts 803584, 930208, and 930299 as “remuneration for after sales services.”

114. In order to conceal the payments to the Iraqi officials on orders under the 2004 Long Term Purchase Agreement on the books and records of Alcor, Alcor recorded the payments to reimburse Naaman for the bribes as “commissions.”

115. Based on Naaman’s false invoices, from in or around 2001 to in or around 2008, Alcor improperly characterized the kickback and bribe reimbursement payments to Naaman as “commissions,” and “sales promotion expenditures” on its books and records.

116. At the end of each of INNOSPEC’s fiscal years from in or around 2001 to in or around 2008, the books and records of Alcor, including those containing false characterizations of the kickback payments given to the Iraqi government and bribes paid to Iraqi officials, were incorporated into the books and records of INNOSPEC for purposes of preparing INNOSPEC’s year-end financial statements, which were filed with the Securities and Exchange Commission in Washington, D.C.

Contracts with Cuban Entities

117. From in or around June 19, 2001 to in or around November 15, 2004, INNOSPEC, through a wholly-owned subsidiary, without a license or authorization issued by the Secretary of the Treasury or his designee, sold at least approximately \$19,925,965 in oil soluble fuel additives to two state-owned Cuban power plants, La Empresa Importadora de Abastecimientos del Petróleo Abapet (“Abapet”) and Empresa Importadora de Objetivos Electroenergeticos (“Energo”).

118. To conceal these transactions, Cuban Agent would purchase products from Bycosin SA, a subsidiary located in Mexico. Bycosin SA would then purchase the products from another Bycosin subsidiary in Mexico, which in turn purchased the products from Bycosin. Bycosin would then ship directly to Cuba.

Acquisition of Bycosin Group

119. On or around February 19, 2001, Executive A, on behalf of INNOSPEC, signed a Letter of Intent to acquire the Bycosin Group and Limited began conducting a due diligence review of the Bycosin Group.

120. In or around February 2001, Limited learned through the due diligence review that the Bycosin Group sold products to power plants in Cuba and informed Executive A and other officers of INNOSPEC, including the Chief Financial Officer.

121. On or around February 20, 2001, Executive A and the Chief Financial Officer of INNOSPEC presented the proposal for the acquisition of the Bycosin Group to the Board of INNOSPEC and failed to inform the board that the acquisition involved business with Cuba.

122. On or around March 29, 2001, Limited's acquisition manager reported to the management of INNOSPEC and Limited that the Cuban business was a significant issue. The acquisition manager was instructed to undertake further due diligence.

123. From in or around April 2001 to in or around June 2001, Executive A and senior management at INNOSPEC and Limited determined that INNOSPEC would acquire the Cuba business despite the fact that to do so would put INNOSPEC in violation of U.S. law. The senior management of INNOSPEC and Limited did not inform the board of INNOSPEC of this decision.

124. On or around June 19, 2001, INNOSPEC, through a wholly-owned subsidiary, acquired the Bycosin Group, including its Cuba business.

125. On or around May 6, 2002, the Chief Financial Officer of INNOSPEC reported on the performance of Bycosin to INNOSPEC's Board of Directors, again failing to inform the board of the Cuba business.

126. In or around January 2004, as part of a due diligence review for a refinancing transaction, representatives of INNOSPEC determined that Cuban Agent was on the U.S. Department of the Treasury's Specially Designated Nationals and Blocked Persons List.

The Contracts

127. In or around 2000, Employee B executed a contract ("Contract E1") to sell Energo \$27,584 in oil soluble fuel additives manufactured by Bycosin. From in or around the time of the acquisition of Bycosin by INNOSPEC to on or around March 17, 2004, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract E1. The additives were shipped by INNOSPEC from Bycosin to end users in Cuba.

128. On or around April 25, 2001, Employee B executed a contract ("Contract E2") to sell Energo \$2,168,650 in oil soluble fuel additives manufactured by Bycosin. From on or around the time of the acquisition of Bycosin by INNOSPEC to on or around September 19, 2003, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract E2. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

129. On or around September 7, 2001, Employee B executed a contract ("Contract E3") to sell Energo \$1,302,000 in oil soluble fuel additives manufactured by Bycosin. From on or around September 7, 2001 to on or around September 19, 2003, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract E3. The additives were shipped by INNOSPEC from Bycosin to end users in Cuba.

130. On or around February 21, 2002, Employee B executed a contract ("Contract A1") to sell Abapet \$77,608 in oil soluble fuel additives manufactured by Bycosin. From on or around February 21, 2002 to on or around February 21, 2003, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A1. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

131. In or around 2002, Employee B executed a contract ("Contract A2") to sell Abapet \$1,940,200 in oil soluble fuel additives manufactured by Bycosin. From in or around 2002 to on or around December 9, 2003, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A2. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

132. On or around April 22, 2002, Employee B executed a contract ("Contract A3") to sell Abapet \$840,154 in oil soluble fuel additives manufactured by Bycosin. From on or around April 22, 2002, to on or around December 2, 2003, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A3. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

133. On or around April 22, 2002, Employee B executed a contract ("Contract A4") to sell Abapet \$156,742 in oil soluble fuel additives manufactured by Bycosin. From on or around April 22, 2002, to on or around December 31, 2003, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A4. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

134. On or around June 23, 2002, Employee B executed a contract ("Contract A5") to sell Abapet \$1,099,560 in oil soluble fuel additives manufactured by Bycosin. From on or around June 23, 2002 to on or around September 11, 2003, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee,

completed Contract A5. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

135. In or around 2003, Employee B executed a contract ("Contract A6") to sell Abapet \$40,000 in oil soluble fuel additives manufactured by Bycosin. In 2003, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A6. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

136. In or around 2003, Employee B executed a contract and a supplement ("Contract E4") to sell Energo \$2,777,820 in oil soluble fuel additives manufactured by Bycosin. From in or around 2003 to on or around April 26, 2004, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract E4. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

137. In or around 2003, Employee B executed a contract ("Contract E5") to sell Energo \$520,000 in oil soluble fuel additives manufactured by Bycosin. INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract E5. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

138. In or around 2003, Employee B executed a contract ("Contract E6") to sell Energo \$45,600 in oil soluble fuel additives manufactured by Bycosin. From in or around 2003 to on or around August 12, 2004, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract E6. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

139. On or around April 15, 2003, Employee B executed a contract ("Contract A7") to sell Abapet \$47,572 in oil soluble fuel additives manufactured by Bycosin. From on or around April 15, 2003, to on or around October 31, 2004, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A7. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

140. In or around April 2003, Employee B executed a contract ("Contract A8") to sell Abapet \$877,619 in oil soluble fuel additives manufactured by Bycosin. From in or around April 2003 to on or around February 24, 2005, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A8. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

141. In or around August 2003, Employee B executed a contract ("Contract A9") to sell Abapet \$48,000 in oil soluble fuel additives manufactured by Bycosin. From in or around August 2003, to on or around November 18, 2003, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed

Contract A9. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

142. On or around October 6, 2003, Employee B executed a contract ("Contract A10") to sell Abapet \$942,480 in oil soluble fuel additives manufactured by Bycosin. From on or around October 6, 2003, to on or around January 26, 2005, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A10. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

143. On or around December 31, 2003, Employee B executed a contract ("Contract E7") to sell Energo \$520,000 in oil soluble fuel additives manufactured by Bycosin. From on or around December 31, 2003 to on or around August 1, 2004, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract E7. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

144. On or around February 9, 2004, Employee B executed a contract ("Contract A11") to sell Abapet \$942,480 in oil soluble fuel additives manufactured by Bycosin. From on or around February 9, 2004, to on or around December 16, 2004, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A11. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

145. On or around March 11, 2004, Employee B executed a contract ("Contract E8") to sell Energo \$1,758,000 in oil soluble fuel additives manufactured by Bycosin. INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract E8. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

146. On or around July 12, 2004, Employee B executed a contract ("Contract A12") to sell Abapet 1,884,960 in oil soluble fuel additives manufactured by Bycosin. From on or around July 12, 2004 to on or around November 21, 2005, INNOSPEC, through Bycosin, without a license or authorization issued by the Secretary of the Treasury or his designee, completed Contract A12. The additives were shipped by INNOSPEC through Bycosin to end users in Cuba.

Travel

147. Between 2003 and 2004, INNOSPEC financed and facilitated the travel of Cuban nationals on seven occasions, including the travel of a Specially Designated National.

ATTACHMENT B

CERTIFICATE OF CORPORATE RESOLUTION

FILED
MAR 18 2010
U.S. DISTRICT COURT

I, David E. Williams, do hereby certify that I am Vice President and General Counsel of Innospec Inc. ("Innospec" or "the Company"), a Delaware corporation, and that the following is a true, correct, and accurate copy of a resolution adopted by the Board of Directors of Innospec by unanimous written consent on March 5, 2010:

WHEREAS, INNOSPEC has been engaged in discussions with the United States Department of Justice, Criminal Division, Fraud Section (the "Department") regarding certain corrupt payments made by and on behalf of Innospec to foreign governments and foreign officials to obtain and retain business for the company; and

WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the Department; and

WHEREAS the company's General Counsel, together with counsel for the Company, have advised the Board of Directors of the company's rights, possible defenses, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the Department;

Therefore, this Board hereby RESOLVES that:

1. The Company (a) consents to the filing in the United States District Court for the District of Columbia of an Information charging Innospec with conspiracy to commit an offense against the United States, namely, to violate the wire fraud statute (18 U.S.C. § 1343), to violate the Foreign Corrupt Practices Act ("FCPA") (15 U.S.C. § 78dd-1(a)(1)), and to falsify its books and records (15 U.S.C. § 78m), in violation of 18 U.S.C. § 371 (Count One); wire fraud, in violation of 18 U.S.C. § 1343 and 18 U.S.C. § 2 (Counts Two through Six); violations of the FCPA, 15 U.S.C. § 78dd-1 and 18 U.S.C. § 2 (Counts Seven through Eleven); and the falsification of its books and records in violation of 15 U.S.C. § 78m (Count Twelve); (b) waives indictment on such charges and enters into a plea agreement with the Department; (c) agrees to enter a plea of guilty as to all charges in the Information; and (d) agrees to pay a criminal fine of \$14,100,000, plus a special assessment of \$2,800, to the United States with respect to the conduct described in the Information and the Statement of Facts.

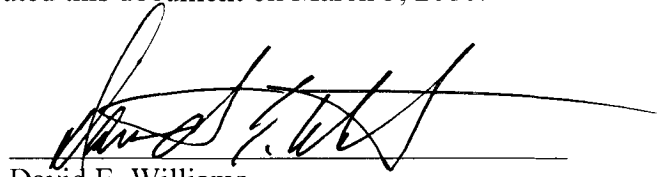
2. The General Counsel, or his delegate, is hereby authorized, empowered, and directed, on behalf of the company, to execute the plea agreement substantially in such form as reviewed by this Board of Directors at this meeting with such changes as the General Counsel, or his delegate, may approve;

3. The General Counsel, or his delegate, is hereby authorized, empowered, and directed to take any and all actions as may be necessary or appropriate, and to approve the forms, terms, or provisions of any agreement or other documents as may be necessary or appropriate to carry out and effectuate the purpose and intent of the foregoing resolutions; and

4. All of the actions of the General Counsel, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Company.

I further certify that the foregoing resolutions have not been altered, modified, revoked, or rescinded, and that the same remain in full force and effect on the date hereof.

IN WITNESS HEREOF, I have executed this document on March 5, 2010.

A handwritten signature in black ink, appearing to read 'David E. Williams', is written over a horizontal line.

David E. Williams
Vice President and General Counsel
Innospec Inc

ATTACHMENT C

CORPORATE COMPLIANCE CODE

FILED
MAR 18 2010

In order to address deficiencies in its internal controls, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, Innospec Inc. and its subsidiaries and operating companies (collectively, "Innospec") agree to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, Innospec agrees to adopt new or to modify existing internal controls, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that Innospec makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements::

1. A clearly articulated corporate policy against violations of the FCPA, including its anti-bribery, books and records, and internal controls provisions, and other applicable counterparts (collectively, the "anti-corruption laws,").
2. Promulgation of compliance standards and procedures designed to reduce the prospect of violations of the anti-corruption laws and Innospec's compliance code. These standards and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of Innospec in a foreign jurisdiction, including but not limited to, agents, consultants, representatives, distributors, teaming partners, and joint venture partners (collectively, "agents and business partners");
3. The assignment of responsibility to one or more senior corporate officials of Innospec for the implementation and oversight of compliance with policies, standards, and procedures regarding the anti-corruption laws. Such corporate official(s) shall have the authority to report matters directly to Innospec's Board of Directors or any appropriate committee of the Board of Directors;
4. Mechanisms designed to ensure that the policies, standards, and procedures of Innospec regarding the anti-corruption laws are effectively communicated to all directors, officers, employees, and, where appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors, officers, and employees, and, where necessary and appropriate, agents and business partners; and (b) annual certifications by all such directors, officers, and employees, and, where necessary and appropriate, agents, and business partners, certifying compliance with the training requirements;

5. An effective system for reporting suspected criminal conduct and/or violations of the compliance policies, standards, and procedures regarding the anti-corruption laws for directors, officers, employees, and, where necessary and appropriate, agents and business partners;

6. Appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and Innospec's compliance code by Innospec's directors, officers, and employees;

7. Appropriate due diligence requirements pertaining to the retention and oversight of agents and business partners;

8. Standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of anti-corruption laws, and regulations or representations and undertakings related to such matters; and

9. Periodic testing of the compliance code, standards, and procedures designed to evaluate their effectiveness in detecting and reducing violations of anti-corruption laws and Innospec's compliance code.

ATTACHMENT D

CORPORATE COMPLIANCE MONITOR

FILED

MAK: R 2011

U.S. DISTRICT COURT

The duties and authority of the Corporate Compliance Monitor (the "Monitor"), and the obligations of Innospec Inc. ("Innospec")¹ with respect to the Monitor and the Department, are as described below:

1. Innospec shall retain the Monitor for a period of not less than three (3) years. Subject to certain conditions specified below which would, in the sole discretion of the Department, allow for a reduction or extension of the term (the "Term of the Monitorship"), the Monitor shall be retained until the expiration of the Plea Agreement or until the financial obligations described in paragraph 5(b) of the Plea Agreement are satisfied, whichever occurs first.
2. The Monitor's primary responsibility is to assess and monitor Innospec's compliance with the terms of this Agreement so as to specifically address and reduce the risk of any recurrence of Innospec's misconduct. During the Term of the Monitorship, the Monitor will evaluate, in the manner set forth in paragraphs 3 through 10 below, the effectiveness and implementation of the corporate compliance program, internal controls, and financial reporting policies and procedures of Innospec as they relate to Innospec's current and ongoing compliance with the anti-bribery provisions of the FCPA and other anti-corruption laws applicable to Innospec (collectively, the "anti-corruption laws") and take such reasonable steps as, in his or her view, may be necessary to fulfill the foregoing mandate (the "Mandate").
3. Innospec shall cooperate fully with the Monitor, and the Monitor shall have the authority to take such reasonable steps as, in his view, may be necessary to be fully informed about Innospec's compliance program within the scope of the Mandate in accordance with the principles set forth herein and applicable law, including data protection and labor laws and regulations applicable to Innospec. To that end, Innospec shall: provide the Monitor access to Innospec's documents and resources; not limit such access, except as provided in this paragraph; and provide guidance on applicable laws (such as relevant data protection and labor laws). Innospec shall provide the Monitor with access to all information, documents, records, facilities, and/or employees, as requested by the Monitor, that fall within the scope of the Mandate of the Monitor under this Agreement. Any disclosure by Innospec to the Monitor concerning corrupt payments shall not relieve Innospec of any otherwise applicable obligation to truthfully disclose such matters to the Department.

¹ All references to "Innospec" include all subsidiaries and affiliated entities. These affiliated entities include, but are not limited to, Innospec International Ltd. and Innospec Ltd., United Kingdom corporations, Alcor Chemie Vetreibs GmbH, a Swiss corporation; and Bycosin AG, a Swedish corporation.

a. The parties agree that no attorney-client relationship shall be formed between Innospec and the Monitor.

b. In the event that Innospec seeks to withhold from the Monitor access to information, documents, records, facilities, and/or employees of Innospec which may be subject to a claim of attorney-client privilege or to the attorney work-product doctrine, or where Innospec reasonably believes production would otherwise be inconsistent with applicable law, Innospec shall work cooperatively with the Monitor to resolve the matter to the satisfaction of the Monitor. If the matter cannot be resolved, at the request of the Monitor, Innospec shall promptly provide written notice to the Monitor and the Department. Such notice shall include a general description of the nature of the information, documents, records, facilities, and/or employees that are being withheld, as well as the basis for the claim. The Department may then consider whether to make a further request for access to such information, documents, records, facilities, and/or employees. To the extent Innospec has provided information to the Department in the course of the investigation leading to this action pursuant to a non-waiver of privilege agreement, Innospec and the Monitor may agree to production of such information to the Monitor pursuant to a similar non-waiver agreement.

4. To carry out the Mandate during the Term of the Monitorship, the Monitor shall conduct an initial review and prepare an initial report, followed by up to two (2) follow-up reviews and reports as described below. With respect to each review, after consultation with Innospec and the Department, the Monitor shall prepare a written work plan, which shall be submitted no fewer than sixty (60) calendar days prior to commencing each review to Innospec and the Department for comment, which comment shall be provided no more than thirty (30) calendar days after receipt of the written work plan. The Monitor's work plan for the initial review shall include such steps as are reasonably necessary to conduct an effective initial review in accordance with the Mandate, including developing an understanding, to the extent the Monitor deems appropriate, of the facts and circumstances surrounding any violations that may have occurred before the date of acceptance of this Agreement by the Court. In developing such understanding, the Monitor is to rely to the extent possible on available information and documents provided by Innospec, and it is not intended that the Monitor will conduct his or her own inquiry into those historical events. In developing each work plan and in carrying out the reviews pursuant to such plans, the Monitor is encouraged to coordinate with Innospec personnel, including auditors and compliance personnel, and, to the extent the Monitor deems appropriate, he or she may rely on Innospec processes, on the results of studies, reviews, audits and analyses conducted by or on behalf of Innospec and on sampling and testing methodologies. Any disputes between Innospec and the Monitor with respect to the work plan shall be decided by the Department in its sole discretion.

5. The initial review shall commence no later than one hundred twenty (120) calendar days from the date of the engagement of the Monitor (unless otherwise agreed by Innospec, the Monitor and the Department), and the Monitor shall issue a written report within one hundred twenty (120) calendar days of initiating the initial review, setting forth the Monitor's

assessment and making recommendations reasonably designed to improve the effectiveness of Innospec's program for ensuring compliance with the anti-corruption laws. The Monitor is encouraged to consult with Innospec concerning his or her other findings and recommendations on an ongoing basis, and to consider and reflect Innospec's comments and input to the extent the Monitor deems appropriate. The Monitor need not in his or her initial or subsequent reports recite or describe comprehensively Innospec's history or compliance policies, procedures, and practices, but rather may focus on those areas with respect to which the Monitor wishes to make recommendations for improvement or which the Monitor otherwise concludes merit particular attention. The Monitor shall provide the report to the Board of Directors of Innospec and contemporaneously transmit copies to Mark F. Mendelsohn (or his successor), Deputy Chief, Fraud Section, Criminal Division, U.S. Department of Justice, 10th and Constitution Ave., N.W., Bond Building, Fourth Floor, Washington, DC 20530. After consultation with Innospec, the Monitor may extend the time period for issuance of the report for up to sixty (60) calendar days with prior written approval of the Department.

6. Within one hundred and twenty (120) calendar days after receiving the Monitor's report, Innospec shall adopt all recommendations in the report; provided, however, that within sixty (60) calendar days after receiving the report, Innospec shall notify the Monitor and the Department in writing of any recommendations that Innospec considers unduly burdensome, inconsistent with local or other applicable law or regulation, impractical, unduly costly, or otherwise inadvisable. With respect to any recommendation that Innospec considers unduly burdensome, inconsistent with local or other applicable law or regulation, impractical, unduly costly, or otherwise inadvisable, Innospec need not adopt that recommendation within that time but shall propose in writing an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any recommendation on which Innospec and the Monitor do not agree, such parties shall attempt in good faith to reach an agreement within forty-five (45) calendar days after Innospec serves the written notice. In the event Innospec and the Monitor are unable to agree on an acceptable alternative proposal, Innospec shall promptly consult with the Department. Any disputes between Innospec, on the one hand, and the Monitor, on the other hand, with respect to the recommendations shall be decided by the Department in its sole discretion. The Department may consider the Monitor's recommendation and Innospec's reasons for not adopting the recommendation in determining whether Innospec has fully complied with its obligations under this Agreement. Pending such determination, Innospec shall not be required to implement any contested recommendation(s). With respect to any recommendation that the Monitor determines cannot reasonably be implemented within one hundred and twenty (120) calendar days after receiving the report, the Monitor may extend the time period for implementation with prior written approval of the Department.

7. The Monitor shall undertake two (2) follow-up reviews to carry out the Mandate. If, reasonably promptly after completing the first follow-up review, the Monitor and Innospec mutually agree that Innospec's compliance program is reasonably designed and implemented to detect and prevent violations of the anti-corruption laws and is functioning effectively, and that further monitoring and review is not warranted, the Monitor may apply to the Department for

permission to forego further followup reviews. If the Department approves, the Term of the Monitorship shall be reduced accordingly. Conversely, if, reasonably promptly after completing the second follow-up review, the Monitor and the Department mutually agree that Innospec has not by that time successfully satisfied its obligations under the Agreement with respect to the Monitor's Mandate, the Term of the Monitorship shall be extended for one additional year, and the Monitor shall undertake a third follow-up review in accordance with the procedures for such follow-up reviews set out in the Agreement.

8. Within one hundred and twenty (120) calendar days of initiating each follow-up review, the Monitor shall: (a) complete the review; (b) certify whether the compliance program of Innospec, including its policies and procedures, is reasonably designed and implemented to detect and prevent violations within Innospec of the anti-corruption laws and is functioning effectively; and (c) report on the Monitor's findings in the same fashion as set forth in paragraph 5 with respect to the initial review. The first follow-up review shall commence one year after the initial review commenced. The second follow-up review, unless one is deemed unnecessary by the Department, shall commence one year after the second follow-up review commenced. After consultation with Innospec, the Monitor may extend the time period for these follow-up reviews for up to sixty (60) calendar days with prior written approval of the Department.

9. In undertaking the assessments and reviews described in paragraphs 4 through 8 of this Agreement, the Monitor shall formulate conclusions based on, among other things: (a) inspection of relevant documents, including Innospec's current anti-corruption policies and procedures; (b) on-site observation of selected systems and procedures of Innospec at sample sites, including internal controls and record-keeping and internal audit procedures; (c) meetings with, and interviews of, relevant employees, officers, directors and other persons at mutually convenient times and places; and (d) analyses, studies, and testing of Innospec's compliance program with respect to the anticorruption laws.

10. Should the Monitor, during the course of his or her engagement, discover that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any entity or person within Innospec, or any entity or person working directly or indirectly for Innospec, either (a) after the date on which this Agreement is accepted by the Court or (b) that have not been adequately dealt with by Innospec (collectively, "improper activities"), the Monitor shall promptly report such improper activities to Innospec's General Counsel for further action. If the Monitor believes that any improper activity or activities may constitute a significant violation of law, the Monitor shall also report such improper activity to the Department. The Monitor shall disclose improper activities in his or her discretion directly to the Department, and not to the General Counsel, only if the Monitor believes that disclosure to Innospec's General Counsel would be inappropriate under the circumstances, and in such case should disclose the improper activities to Innospec's General Counsel as promptly and completely as the Monitor deems appropriate under the circumstances. The Monitor shall address in his or her reports the appropriateness of Innospec's response to all improper activities, whether previously disclosed to the Department or not. Further, in the event

that Innospec, or any entity or person working directly or indirectly within Innospec, refuses to provide information necessary for the performance of the Monitor's responsibilities, if the Monitor believes that such refusal is without just cause, the Monitor shall disclose that fact to the Department. Innospec shall not take any action to retaliate against the Monitor for any such disclosures or for any other reason. The Monitor may report any criminal or regulatory violations by Innospec or any other entity discovered in the course of performing his or her duties in the same manner as described above.

11. At least annually, and more frequently if appropriate, representatives from Innospec and the Department will meet together to discuss the monitorship and any suggestions, comments or improvements Innospec may wish to discuss with or propose to the Department.