

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-37586



INGEVITY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

47-4027764

(I.R.S. Employer Identification No.)

4920 O'Hear Avenue Suite 400

North Charleston

South Carolina

29405

(Address of principal executive offices)

(Zip code)

843-740-2300

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (\$0.01 par value)	NGVT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 38,048,833 shares of common stock, \$0.01 par value, outstanding at August 1, 2022.

Ingevity Corporation

INDEX

	Page No.
<u>PART I - FINANCIAL INFORMATION</u>	<u>3</u>
<u>Item 1. Financial Statements (Unaudited)</u>	<u>3</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>3</u>
<u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u>	<u>4</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Notes to the Condensed Consolidated Financial Statements</u>	<u>7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>28</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>40</u>
<u>Item 4. Controls and Procedures</u>	<u>40</u>
<u>PART II - OTHER INFORMATION</u>	<u>42</u>
<u>Item 1. Legal Proceedings</u>	<u>42</u>
<u>Item 1A. Risk Factors</u>	<u>42</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>42</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>42</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>42</u>
<u>Item 5. Other Information</u>	<u>42</u>
<u>Item 6. Exhibits</u>	<u>43</u>
<u>SIGNATURES</u>	<u>44</u>

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INGEVITY CORPORATION

Condensed Consolidated Statements of Operations (Unaudited)

<i>In millions, except per share data</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 419.9	\$ 358.4	\$ 802.7	\$ 678.7
Cost of sales	269.3	218.6	514.3	412.7
Gross profit	150.6	139.8	288.4	266.0
Selling, general, and administrative expenses	48.7	47.5	88.7	87.5
Research and technical expenses	8.2	5.9	15.5	12.5
Restructuring and other (income) charges, net	3.7	4.3	7.3	8.2
Acquisition-related costs	—	0.4	—	0.7
Other (income) expense, net	(1.6)	(4.2)	(3.0)	(3.0)
Interest expense, net	15.1	12.2	25.8	24.6
Income (loss) before income taxes	76.5	73.7	154.1	135.5
Provision (benefit) for income taxes	16.7	29.4	33.5	42.5
Net income (loss)	\$ 59.8	\$ 44.3	\$ 120.6	\$ 93.0
Per share data				
Basic earnings (loss) per share	\$ 1.55	\$ 1.11	\$ 3.11	\$ 2.31
Diluted earnings (loss) per share	1.54	1.10	3.09	2.30

The accompanying notes are an integral part of these financial statements.

INGEVITY CORPORATION

Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income (loss)	\$ 59.8	\$ 44.3	\$ 120.6	\$ 93.0
Other comprehensive income (loss), net of tax:				
Foreign currency adjustments:				
Foreign currency translation adjustment	(53.0)	5.8	(69.6)	8.2
Unrealized gain (loss) on net investment hedges, net of tax provision (benefit) of \$1.8, \$(0.5), \$2.2, \$1.0	6.0	(1.7)	7.3	3.2
Total foreign currency adjustments, net of tax provision (benefit) of \$1.8, \$(0.5), \$2.2, \$1.0	(47.0)	4.1	(62.3)	11.4
Derivative instruments:				
Unrealized gain (loss), net of tax provision (benefit) of \$0.7, \$0.4, \$2.7, \$0.8	2.4	1.2	8.7	2.5
Reclassifications of deferred derivative instruments (gain) loss, included in net income (loss), net of tax (provision) benefit of \$(0.6), zero, \$(1.0), zero	(2.2)	—	(3.3)	(0.1)
Total derivative instruments, net of tax provision (benefit) of \$0.1, \$0.4, \$1.7, \$0.8	0.2	1.2	5.4	2.4
Pension & other postretirement benefits:				
Unrealized actuarial gains (losses) and prior service (costs) credits, net of tax of zero for all periods	—	—	—	—
Reclassifications of net actuarial and other (gain) loss and amortization of prior service cost, included in net income, net of tax of zero for all periods	0.1	0.1	0.1	0.1
Total pension and other postretirement benefits, net of tax of zero for all periods	0.1	0.1	0.1	0.1
Other comprehensive income (loss), net of tax provision (benefit) of \$1.9, \$(0.1), \$3.9, \$1.8	(46.7)	5.4	(56.8)	13.9
Comprehensive income (loss)	\$ 13.1	\$ 49.7	\$ 63.8	\$ 106.9

The accompanying notes are an integral part of these financial statements.

INGEVITY CORPORATION
Condensed Consolidated Balance Sheets

In millions, except share and par value data

	June 30, 2022	December 31, 2021
	(Unaudited)	
Assets		
Cash and cash equivalents	\$ 131.3	\$ 275.4
Accounts receivable, net of allowance for credit losses of \$2.0 - 2022 and \$2.0 - 2021	221.4	161.7
Inventories, net	277.0	241.2
Prepaid and other current assets	48.0	46.6
Current assets	677.7	724.9
Property, plant and equipment, net	717.4	719.7
Operating lease assets, net	50.5	52.4
Goodwill	410.8	442.0
Other intangibles, net	297.3	337.6
Deferred income taxes	9.3	6.8
Restricted investment, net of allowance for credit losses of \$0.5 - 2022 and \$0.5 - 2021	77.1	76.1
Other assets	125.9	109.5
Total Assets	\$ 2,366.0	\$ 2,469.0
Liabilities		
Accounts payable	\$ 168.3	\$ 125.8
Accrued expenses	44.8	51.7
Accrued payroll and employee benefits	30.6	48.2
Current operating lease liabilities	17.0	17.4
Notes payable and current maturities of long-term debt	0.9	19.6
Income taxes payable	5.6	6.2
Current liabilities	267.2	268.9
Long-term debt including finance lease obligations	1,176.2	1,250.0
Noncurrent operating lease liabilities	34.6	36.2
Deferred income taxes	114.1	114.6
Other liabilities	119.6	125.5
Total Liabilities	1,711.7	1,795.2
Commitments and contingencies (Note 14)		
Equity		
Preferred stock (par value \$0.01 per share; 50,000,000 shares authorized; zero issued and outstanding - 2022 and 2021)	—	—
Common stock (par value \$0.01 per share; 300,000,000 shares authorized; issued: 43,199,828 - 2022 and 43,102,011 - 2021; outstanding: 38,032,992 - 2022 and 39,269,399 - 2021)	0.4	0.4
Additional paid-in capital	143.0	136.3
Retained earnings	916.7	796.1
Accumulated other comprehensive income (loss)	(43.7)	13.1
Treasury stock, common stock, at cost (5,166,836 shares - 2022 and 3,832,612 shares - 2021)	(362.1)	(272.1)
Total Equity	654.3	673.8
Total Liabilities and Equity	\$ 2,366.0	\$ 2,469.0

The accompanying notes are an integral part of these financial statements.

INGEVITY CORPORATION
Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>In millions</i>	Six Months Ended June 30,	
	2022	2021
Cash provided by (used in) operating activities:		
Net income (loss)	\$ 120.6	\$ 93.0
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:		
Depreciation and amortization	52.9	54.1
Non cash operating lease costs	9.2	8.7
Deferred income taxes	(0.6)	11.3
LIFO Reserve	10.7	1.7
Share-based compensation	6.7	6.7
Other non-cash items	10.4	6.6
Changes in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable, net	(64.8)	(29.2)
Inventories, net	(52.7)	(26.5)
Prepaid and other current assets	(5.2)	(10.8)
Accounts payable	49.1	10.8
Accrued expenses	(6.7)	(2.4)
Accrued payroll and employee benefits	(17.3)	4.2
Income taxes	5.8	4.4
Operating leases	(10.6)	(10.3)
Changes in other operating assets and liabilities, net	7.3	(5.4)
Net cash provided by (used in) operating activities	\$ 114.8	\$ 116.9
Cash provided by (used in) investing activities:		
Capital expenditures	\$ (57.2)	\$ (40.9)
Purchase of strategic investments	(2.0)	(16.5)
Other investing activities, net	0.6	0.2
Net cash provided by (used in) investing activities	\$ (58.6)	\$ (57.2)
Cash provided by (used in) financing activities:		
Proceeds from revolving credit facility	\$ 788.0	\$ —
Payments on revolving credit facility	(256.0)	—
Payments on long-term borrowings	(628.1)	(14.1)
Debt issuance costs	(3.0)	—
Debt repayment costs	(3.8)	—
Finance lease obligations, net	(0.4)	(0.4)
Borrowings (repayments) of notes payable and other short-term borrowings, net	—	(1.9)
Tax payments related to withholdings on vested equity awards	(2.0)	(2.3)
Proceeds and withholdings from share-based compensation plans, net	1.9	3.2
Repurchases of common stock under publicly announced plan	(89.9)	(68.1)
Net cash provided by (used in) financing activities	\$ (193.3)	\$ (83.6)
Increase (decrease) in cash, cash equivalents, and restricted cash	(137.1)	(23.9)
Effect of exchange rate changes on cash	(7.2)	(0.6)
Change in cash, cash equivalents, and restricted cash	(144.3)	(24.5)
Cash, cash equivalents, and restricted cash at beginning of period	276.1	258.4
Cash, cash equivalents, and restricted cash at end of period ⁽¹⁾	\$ 131.8	\$ 233.9
Supplemental cash flow information:		
Cash paid for interest, net of capitalized interest	\$ 28.7	\$ 24.1
Cash paid for income taxes, net of refunds	26.9	27.0
Purchases of property, plant and equipment in accounts payable	6.0	3.1
Leased assets obtained in exchange for new operating lease liabilities	7.7	7.4

The accompanying notes are an integral part of these financial statements.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Note 1: Background

Description of Business

Ingevity Corporation ("Ingevity," "the Company," "we," "us," or "our") provides products and technologies that purify, protect, and enhance the world around us. Through a team of talented and experienced people, we develop, manufacture, and bring to market solutions that help customers solve complex problems and make the world more sustainable. We report in two business segments, Performance Materials and Performance Chemicals.

Our Performance Materials segment manufactures products in the form of powder, granular, extruded pellets, extruded honeycombs, and activated carbon sheets. Automotive technologies products are sold into the gasoline vapor emission control applications within the automotive industry, while process purification products are sold into the food, water, beverage, and chemical purification industries.

Our Performance Chemicals segment consists of our pavement technologies, industrial specialties, and engineered polymers product lines. Performance Chemicals manufactures products derived from crude tall oil ("CTO") and lignin extracted from the kraft pulping process as well as caprolactone monomers and derivatives derived from cyclohexanone and hydrogen peroxide. Performance Chemicals products serve as critical inputs used in a variety of high performance applications, including warm mix paving, pavement preservation, and pavement reconstruction and recycling (pavement technologies product line), adhesives, agrochemicals, lubricants, printing inks, industrial intermediates, and oilfield (industrial specialties product line), coatings, resins, elastomers, adhesives, bio-plastics, and medical devices (engineered polymers product line).

Basis of Consolidation and Presentation

These unaudited Condensed Consolidated Financial Statements reflect the consolidated operations of the Company and have been prepared in accordance with United States Securities and Exchange Commission ("SEC") interim reporting requirements. Accordingly, the accompanying Condensed Consolidated Financial Statements do not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP") for full financial statements and should be read in conjunction with the Annual Consolidated Financial Statements for the years ended December 31, 2021, 2020 and 2019, collectively referred to as the "Annual Consolidated Financial Statements," included in our Annual Report on Form 10-K for the year ended December 31, 2021 (the "2021 Annual Report").

In the opinion of management, the Condensed Consolidated Financial Statements contain all adjustments, which include only normal recurring adjustments, necessary to fairly state the condensed consolidated results for the interim periods presented. The consolidated results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

The preparation of the Condensed Consolidated Financial Statements requires management to make estimates and assumptions with respect to the reported amounts of assets, liabilities, revenue and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Certain prior year amounts have been reclassified to conform with the current year's presentation.

Note 2: New Accounting Guidance

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC" or "Codification") is the sole source of authoritative GAAP other than SEC issued rules and regulations that apply only to SEC registrants. The FASB issues an Accounting Standards Update ("ASU") to communicate changes to the Codification. We consider the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are not expected to have a material impact on the consolidated financial statements.

Recently Issued Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04 "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The ASU is intended to provide temporary optional expedients and exceptions to the GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. This guidance became effective beginning on March 12, 2020, and we may elect to apply the amendments prospectively until December 31, 2022. As of June 30, 2022, we have not yet elected any optional expedients provided in the standard. We will apply the accounting relief, if necessary, as relevant contract and hedge accounting relationship modifications are made during the reference rate reform transition period. We do not expect this new standard to have a material impact on our consolidated financial statements.

Note 3: Revenues

Disaggregation of Revenue

The following table presents our Net sales disaggregated by product line.

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Performance Materials segment	\$ 122.4	\$ 126.0	\$ 270.8	\$ 266.7
Performance Chemicals segment				
Pavement Technologies product line	77.8	67.7	105.7	89.1
Industrial Specialties product line	165.9	120.1	310.6	232.2
Engineered Polymers product line	53.8	44.6	115.6	90.7
Total	\$ 297.5	\$ 232.4	\$ 531.9	\$ 412.0
Net sales	\$ 419.9	\$ 358.4	\$ 802.7	\$ 678.7

The following table presents our Net sales disaggregated by geography, based on the delivery address of our customer.

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
North America	\$ 255.2	\$ 198.4	\$ 467.8	\$ 361.5
Asia Pacific	86.1	94.7	183.7	195.4
Europe, Middle East, and Africa	68.7	59.1	131.4	110.2
South America	9.9	6.2	19.8	11.6
Net sales	\$ 419.9	\$ 358.4	\$ 802.7	\$ 678.7

Contract Balances

The following table provides information about contract assets and contract liabilities from contracts with customers. The contract assets primarily relate to our rights to consideration for products produced but not billed at the reporting date. The contract assets are recognized as accounts receivables when the rights become unconditional and the customer has been billed. Contract liabilities represent obligations to transfer goods to a customer for which we have received consideration from our customer. For all periods presented we had no contract liabilities.

<i>In millions</i>	Contract Asset	
	June 30,	
	2022	2021
Beginning balance	\$ 5.3	\$ 5.7
Contract asset additions	8.3	10.0
Reclassification to accounts receivable, billed to customers	(7.0)	(9.2)
Ending balance ⁽¹⁾	\$ 6.6	\$ 6.5

(1) Included within "Prepaid and other current assets" on the condensed consolidated balance sheets.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Note 4: Fair Value Measurements

Fair Value Measurements

Recurring Fair Value Measurements

The following information is presented for assets and liabilities that are recorded in the condensed consolidated balance sheets at fair value measured on a recurring basis. There were no transfers of assets and liabilities that were recorded at fair value between the three-level fair value hierarchy during the periods reported.

<i>In millions</i>	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total
June 30, 2022				
Assets:				
Deferred compensation plan investments ⁽⁴⁾	\$ 0.5	\$ —	\$ —	\$ 0.5
Total assets	\$ 0.5	\$ —	\$ —	\$ 0.5
Liabilities:				
Deferred compensation arrangement ⁽⁴⁾	\$ 13.0	\$ —	\$ —	\$ 13.0
Contingent consideration ⁽⁵⁾	—	—	0.8	0.8
Total liabilities	\$ 13.0	\$ —	\$ 0.8	\$ 13.8
December 31, 2021				
Assets:				
Deferred compensation plan investments ⁽⁴⁾	\$ 0.9	\$ —	\$ —	\$ 0.9
Total assets	\$ 0.9	\$ —	\$ —	\$ 0.9
Liabilities:				
Deferred compensation arrangement ⁽⁴⁾	\$ 13.7	\$ —	\$ —	\$ 13.7
Contingent consideration ⁽⁵⁾	—	—	0.8	0.8
Total liabilities	\$ 13.7	\$ —	\$ 0.8	\$ 14.5

(1) Quoted prices in active markets for identical assets.

(2) Quoted prices for similar assets and liabilities in active markets.

(3) Significant unobservable inputs.

(4) Consists of a deferred compensation arrangement, through which we hold various investment securities. Both the asset and liability are recorded at fair value and are included within "Other assets" and "Other liabilities" on the condensed consolidated balance sheets, respectively. In addition to the investment securities, we also have company-owned life insurance ("COLI") related to the deferred compensation arrangement. COLI is recorded at cash surrender value and included in "Other assets" on the condensed consolidated balance sheets in the amount of \$13.4 million and \$14.0 million at June 30, 2022 and December 31, 2021, respectively.

(5) Included within "Other liabilities" on the condensed consolidated balance sheets.

Nonrecurring Fair Value Measurements

There were no nonrecurring fair value measurements in the condensed consolidated balance sheet during the quarters ended June 30, 2022 and December 31, 2021.

Strategic Investments

During the first quarter of 2022, we acquired a strategic investment in a privately-held company for \$2.0 million, which is accounted for under the measurement alternative method. The aggregate carrying value of all measurement alternative investments where fair value is not readily determinable totaled \$20.8 million and \$18.8 million at June 30, 2022 and December 31, 2021, respectively. There were no adjustments to the carrying value of the measurement alternative method investments for impairment or observable price changes for the period ended June 30, 2022.

During the second quarter of 2021, we acquired a strategic investment in a privately-held company for \$16.5 million, which is accounted for under the equity method of accounting. The carrying value of our strategic equity investment was \$15.5 million and \$16.5 million at June 30, 2022 and December 31, 2021, respectively.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Restricted Investment

At June 30, 2022 and December 31, 2021, the carrying value of our restricted investment, which is accounted for as held-to-maturity ("HTM") and therefore recorded at amortized costs, was \$77.1 million and \$76.1 million, net of an allowance for credit losses of \$0.5 million and \$0.5 million, and included cash of \$5.8 million and \$4.7 million, respectively. The fair value at June 30, 2022 and December 31, 2021 was \$75.2 million and \$80.0 million, respectively, based on Level 1 inputs.

The following table shows the total amortized cost of our HTM debt securities by credit rating, excluding the allowance for credit losses and cash. The primary factor in our expected credit loss calculation is the composite bond rating. As the rating decreases, the risk present in holding the bond is inherently increased, leading to an increase in expected credit losses.

<i>In millions</i>	HTM Debt Securities						Total
	AA+	AA	AA-	A	A-	BBB+	
June 30, 2022	\$ 13.4	—	10.5	13.3	14.1	20.5	\$ 71.8
December 31, 2021	\$ 13.4	—	10.6	13.3	14.1	20.5	\$ 71.9

Debt and Finance Lease Obligations

At June 30, 2022 and December 31, 2021, the carrying value of finance lease obligations was \$102.1 million and \$102.4 million, respectively, and the fair value was \$109.3 million and \$118.6 million, respectively. The fair value of our finance lease obligations is based on the period-end quoted market prices for the obligations, using Level 2 inputs. The fair value of all other finance lease obligations approximates their carrying values.

The carrying amount, excluding debt issuance fees, of our variable interest rate long-term debt was \$532.0 million and \$328.1 million as of June 30, 2022 and December 31, 2021, respectively. The carrying value is a reasonable estimate of the fair value of the outstanding debt based on the variable interest rate of the debt.

At June 30, 2022 and December 31, 2021, the carrying value of our fixed rate debt was \$550.0 million and \$850.0 million, respectively, and the fair value was \$462.7 million and \$843.9 million, respectively, based on Level 2 inputs.

Contingent Consideration

In connection with the acquisition of certain assets in 2020, we are contingently obligated to make an additional payment for such assets of up to an aggregate amount of \$7.0 million. The contingent consideration is payable if certain sales volume targets are achieved prior to December 31, 2024, herein referred to as "Revenue Earn-out."

The fair value of the five-year Revenue Earn-out consideration was \$0.8 million at June 30, 2022 and December 31, 2021, respectively. Any subsequent changes in the fair value of the contingent consideration liability will be recorded in current period earnings as a selling, general, and administrative expense.

The following table summarizes the activity for financial liabilities utilizing Level 3 fair value measurements:

<i>In millions</i>	Contingent Consideration	
	June 30, 2022	December 31, 2021
Beginning balance	\$ 0.8	\$ 0.8
Newly issued	—	—
Change in revaluation of contingent consideration included in earnings	—	—
Exercises/settlements	—	—
Ending balance ⁽¹⁾	\$ 0.8	\$ 0.8

(1) Included within "Other liabilities" on the condensed consolidated balance sheets.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Note 5: Inventories, net

<i>In millions</i>	June 30, 2022	December 31, 2021
Raw materials	\$ 71.3	\$ 48.8
Production materials, stores and supplies	28.1	26.8
Finished and in-process goods	206.1	183.4
Subtotal	\$ 305.5	\$ 259.0
Less: LIFO reserve	(28.5)	(17.8)
Inventories, net	\$ 277.0	\$ 241.2

Note 6: Property, Plant, and Equipment, net

<i>In millions</i>	June 30, 2022	December 31, 2021
Machinery and equipment	\$ 1,121.4	\$ 1,113.3
Buildings and leasehold improvements	176.6	177.2
Land and land improvements	21.7	20.4
Construction in progress	77.9	64.4
Total cost	\$ 1,397.6	\$ 1,375.3
Less: accumulated depreciation	(680.2)	(655.6)
Property, plant, and equipment, net	\$ 717.4	\$ 719.7

Note 7: Goodwill and Other Intangible Assets, net

Goodwill

<i>In millions</i>	Reporting Units		Total
	Performance Chemicals	Performance Materials	
December 31, 2021	\$ 437.7	\$ 4.3	\$ 442.0
Foreign currency translation	(31.2)	—	(31.2)
June 30, 2022	\$ 406.5	\$ 4.3	\$ 410.8

There were no interim triggering events or circumstances indicating that goodwill might be impaired as of June 30, 2022.

Other Intangible Assets

<i>In millions</i>	June 30, 2022			December 31, 2021		
	Gross	Accumulated amortization	Net	Gross	Accumulated amortization	Net
Customer contracts and relationships	\$ 301.1	\$ 102.5	\$ 198.6	\$ 317.8	\$ 95.0	\$ 222.8
Brands ⁽¹⁾	74.7	21.5	53.2	81.7	20.3	61.4
Developed technology	65.4	19.9	45.5	72.2	18.8	53.4
Other	—	—	—	0.5	0.5	—
Other intangibles, net	\$ 441.2	\$ 143.9	\$ 297.3	\$ 472.2	\$ 134.6	\$ 337.6

(1) Represents trademarks, trade names, and know-how.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Intangible assets subject to amortization were allocated among our business segments as follows:

<i>In millions</i>	June 30, 2022	December 31, 2021
Performance Materials	\$ 1.8	\$ 1.9
Performance Chemicals	295.5	335.7
Other intangibles, net	<u>\$ 297.3</u>	<u>\$ 337.6</u>

Amortization expense related to our intangible assets is included in Selling, general and administrative expenses on the condensed consolidated statement of operations. During the three and six months ended June 30, 2022, we recognized amortization expense of \$7.8 million and \$15.9 million, respectively, and during the three and six months ended June 30, 2021, we recognized amortization expense of \$8.4 million and \$16.8 million, respectively.

Based on the current carrying values of intangible assets, estimated pre-tax amortization expense for the next five years is as follows: 2022 - \$31.8 million, 2023 - \$31.8 million, 2024 - \$31.4 million, 2025 - \$31.4 million, and 2026 - \$31.4 million. The estimated pre-tax amortization expense may fluctuate due to changes in foreign currency exchange rates.

Note 8: Financial Instruments and Risk Management

Net Investment Hedges

We have fixed-to-fixed cross-currency interest rate swaps with an aggregate notional amount of \$166.2 million and a maturity date of July 2023. We designated the swaps to hedge a portion of our net investment in a euro functional currency denominated subsidiary against foreign currency fluctuations. These contracts involve the exchange of fixed U.S. dollars with fixed euro interest payments periodically over the life of the contract and an exchange of the notional amount at maturity. This effectively converts a portion of our U.S. dollar denominated fixed-rate debt from a weighted average rate of 3.79 percent to a euro denominated weighted average fixed rate of 1.63 percent. The difference between the fixed interest rate on the U.S. dollar denominated debt compared to euro denominated debt is recorded as interest income on the condensed consolidated statements of operations. The fair value of the fixed-to-fixed cross currency interest rate swap was a net asset (liability) of \$10.6 million and \$1.0 million at June 30, 2022 and December 31, 2021, respectively. During the three and six months ended June 30, 2022, we recognized net interest income associated with this financial instrument of \$2.5 million and \$2.7 million, respectively, and during the three and six months ended June 30, 2021, we recognized net interest income associated with this financial instrument of \$0.1 million and \$0.2 million, respectively.

Cash Flow Hedges

Foreign Currency Exchange Risk Management

We manufacture and sell our products in several countries throughout the world and, thus, we are exposed to changes in foreign currency exchange rates. To manage the volatility relating to these exposures, we net the exposures on a consolidated basis to take advantage of natural offsets. To manage the remaining exposure, from time to time, we utilize forward currency exchange contracts and zero cost collar option contracts to minimize the volatility to earnings and cash flows resulting from the effect of fluctuating foreign currency exchange rates on export sales denominated in foreign currencies (principally the euro). These contracts are generally designated as cash flow hedges. Designated cash flow hedges entered to minimize foreign currency exchange risk of forecasted revenue transactions are recorded to Net sales on the condensed consolidated statement of operations when the forecasted transaction occurs. As of June 30, 2022, there were \$12.0 million open foreign currency derivative contracts. The fair value of the designated foreign currency hedge contracts was an asset (liability) of \$1.1 million and \$0.5 million at June 30, 2022 and December 31, 2021, respectively.

Commodity Price Risk Management

Certain energy sources used in our manufacturing operations are subject to price volatility caused by weather, supply and demand conditions, economic variables, and other unpredictable factors. This volatility is primarily related to the market pricing of natural gas. To mitigate expected fluctuations in market prices and the volatility to earnings and cash flow resulting from changes to pricing of natural gas purchases, from time to time, we will enter into swap contracts and zero cost collar option contracts and designate these contracts as cash flow hedges. As of June 30, 2022, we had 1.7 million and 0.7 million mm BTUS (millions of British Thermal Units) in aggregate notional volume of outstanding natural gas commodity swap contracts

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

and zero cost collar option contracts, respectively, designated as cash flow hedges. As of June 30, 2022, open commodity contracts hedge forecasted transactions until December 2023. The fair value of the outstanding designated natural gas commodity hedge contracts as of June 30, 2022 and December 31, 2021 was a net asset (liability) of \$1.2 million and \$(0.6) million, respectively.

Interest Rate Risk Management

Our policy is to manage interest expense using a mix of fixed and variable rate debt. To manage interest rate risk effectively, from time to time, we may enter into interest rate derivative instruments. In all cases, the notional amount of the interest rate swap agreements is equal to or less than the designated debt being hedged. These instruments are designated as cash flow hedges. Designated interest rate cash flow hedge gains or losses are recorded in Accumulated other comprehensive income (loss) ("AOCI") and are recognized in "Interest expense, net" on the condensed consolidated statements of operations on a straight-line basis over the remaining maturity of the underlying debt.

We had floating-to-fixed interest rate swaps with a combined notional amount of \$166.2 million to manage the variability of cash flows in the interest rate payments associated with our existing LIBOR-based interest payments, effectively converting \$166.2 million of our floating rate debt to a fixed rate. Per the terms of these instruments, we receive floating rate interest payments based upon three-month U.S. dollar LIBOR and in return are obligated to pay interest at a fixed rate of 3.79 percent until July 2023. Due to the repayment of our term loan (refer to Note 9 for more information), during the three months ended June 30, 2022, we terminated these interest rate swap instruments. Upon termination of the interest rate swap instruments, we reclassified a \$1.7 million gain from AOCI into Interest expense, net on the condensed consolidated statement of operations. The fair value of outstanding interest rate instruments at June 30, 2022 and December 31, 2021 was an asset (liability) of zero and \$(4.0) million, respectively.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Effect of Cash Flow and Net Investment Hedge Accounting on AOCI

<i>In millions</i>	Amount of Gain (Loss) Recognized in AOCI		Amount of Gain (Loss) Reclassified from AOCI into Net income		Location of Gain (Loss) Reclassified from AOCI in Net income
	Three Months Ended June 30,				
	2022	2021	2022	2021	
Cash flow hedging derivatives					
Currency exchange contracts	\$ 0.8	\$ —	\$ 0.6	\$ —	Net sales
Natural gas contracts	0.3	0.8	0.5	—	Cost of sales
Interest rate swap contracts	2.0	0.8	1.7	—	Interest expense, net
Total	\$ 3.1	\$ 1.6	\$ 2.8	\$ —	

	Amount of Gain (Loss) Recognized in AOCI		Amount of Gain (Loss) Recognized in Income on Derivative (Amount Excluded from Effectiveness Testing)		Location of Gain or (Loss) Recognized in Income on Derivative (Amount Excluded from Effectiveness Testing)
	Three Months Ended June 30,				
	2022	2021	2022	2021	
Net investment hedging derivative					
Currency exchange contracts ⁽¹⁾	\$ 7.8	\$ (2.2)	\$ 2.5	\$ 0.1	Interest expense, net
Total	\$ 7.8	\$ (2.2)	\$ 2.5	\$ 0.1	

<i>In millions</i>	Amount of Gain (Loss) Recognized in AOCI		Amount of Gain (Loss) Reclassified from AOCI into Net income		Location of Gain (Loss) Reclassified from AOCI in Net income
	Six Months Ended June 30,				
	2022	2021	2022	2021	
Cash flow hedging derivatives					
Currency exchange contracts	\$ 1.3	\$ 0.2	\$ 0.8	\$ —	Net sales
Natural gas contracts	4.4	0.9	1.8	0.1	Cost of sales
Interest rate swap contracts	5.7	2.2	1.7	—	Interest expense, net
Total	\$ 11.4	\$ 3.3	\$ 4.3	\$ 0.1	

In millions	Amount of Gain (Loss) Recognized in Income on Derivative (Amount Excluded from Effectiveness Testing)				Location of Gain or (Loss) Recognized in Income on Derivative (Amount Excluded from Effectiveness Testing)
	Amount of Gain (Loss) Recognized in AOCI				
	Six Months Ended June 30,				
	2022	2021	2022	2021	
Net investment hedging derivative					
Currency exchange contracts ⁽¹⁾	\$ 9.5	\$ 4.2	\$ 2.7	\$ 0.2	Interest expense, net
Total	\$ 9.5	\$ 4.2	\$ 2.7	\$ 0.2	

(1) Reclassifications from AOCI to Net Income were zero for all periods presented. Gains and losses would be reclassified from AOCI to Other (income) expense, net.

Within the next twelve months, we expect to reclassify \$4.4 million of net gains from AOCI to income, before taxes.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Fair Value Measurements

The following information is presented for derivative assets and liabilities that are recorded in the condensed consolidated balance sheets at fair value measured on a recurring basis. There were no transfers of assets and liabilities that are recorded at fair value between Level 1 and Level 2 during the periods reported. There were no nonrecurring fair value measurements related to derivative assets and liabilities on the condensed consolidated balance sheets as of June 30, 2022 or December 31, 2021.

<i>In millions</i>	June 30, 2022			
	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total
Assets:				
Currency exchange contracts ⁽⁴⁾	\$ —	\$ 1.1	\$ —	\$ 1.1
Natural gas contracts ⁽⁴⁾	—	1.7	—	1.7
Net investment hedge ⁽⁵⁾	—	10.6	—	10.6
Total assets	\$ —	\$ 13.4	\$ —	\$ 13.4
Liabilities:				
Natural gas contracts ⁽⁶⁾	\$ —	\$ 0.5	\$ —	\$ 0.5
Total liabilities	\$ —	\$ 0.5	\$ —	\$ 0.5

<i>In millions</i>	December 31, 2021			
	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total
Assets:				
Currency exchange contracts ⁽⁴⁾	\$ —	\$ 0.5	\$ —	\$ 0.5
Net investment hedge ⁽⁵⁾	—	2.0	—	2.0
Total assets	\$ —	\$ 2.5	\$ —	\$ 2.5
Liabilities:				
Natural gas contracts ⁽⁶⁾	\$ —	\$ 0.6	\$ —	\$ 0.6
Net investment hedge ⁽⁷⁾	—	1.0	—	1.0
Interest rate swap contracts ⁽⁷⁾	—	4.0	—	4.0
Total liabilities	\$ —	\$ 5.6	\$ —	\$ 5.6

(1) Quoted prices in active markets for identical assets.

(2) Quoted prices for similar assets and liabilities in active markets.

(3) Significant unobservable inputs.

(4) Included within "Other current assets" on the condensed consolidated balance sheet.

(5) Included within "Other assets" on the condensed consolidated balance sheet.

(6) Included within "Accrued expenses" on the condensed consolidated balance sheet.

(7) Included within "Other liabilities" on the condensed consolidated balance sheet.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Note 9: Debt, including Finance Lease Obligations

Current and long-term debt including finance lease obligations consisted of the following:

<i>In millions, except percentages</i>	June 30, 2022	December 31, 2021
Revolving Credit Facility and other lines of credit ⁽¹⁾	\$ 532.0	\$ —
Term Loan	—	328.1
3.88% Senior Notes due 2028	550.0	550.0
4.50% Senior Notes due 2026	—	300.0
Finance lease obligations	102.1	102.4
Total debt including finance lease obligations	\$ 1,184.1	\$ 1,280.5
Less: debt issuance costs	7.0	10.9
Total debt, including finance lease obligations, net of debt issuance costs	\$ 1,177.1	\$ 1,269.6
Less: debt maturing within one year ⁽²⁾	0.9	19.6
Long-term debt including finance lease obligations	\$ 1,176.2	\$ 1,250.0

(1) Letters of credit outstanding under the revolving credit facility were \$1.8 million and \$2.5 million and available funds under the facility were \$466.2 million and \$497.5 million at June 30, 2022 and December 31, 2021, respectively.

(2) Debt maturing within one year is included in "Notes payable and current maturities of long-term debt" on the condensed consolidated balance sheets.

Senior Notes due 2026

On April 27, 2022, we redeemed the \$300.0 million outstanding aggregate principal balance of our 4.50% Senior Notes due in 2026 prior to maturity. The redemption was primarily funded utilizing the outstanding capacity under our revolving credit facility. At redemption, we recognized a \$3.4 million redemption premium and accelerated the remaining deferred finance fees of \$2.7 million. Both the redemption premium and accelerated deferred finance fees were recorded to Interest Expense, net on the condensed consolidated statements of operations during the three months ended June 30, 2022. Legal expenses associated with this redemption have been recorded as incurred.

Revolving Credit Facility Amendment

On June 23, 2022, we entered into an Amendment and Restatement Agreement (the "Amendment") together with the other parties named therein, which amends and restates our existing credit agreement, dated as of March 7, 2016, as amended, supplemented or otherwise modified.

Among other things, the Amendment (a) extends the maturity date from October 28, 2025 to June 23, 2027 and increased the aggregate principal amount of revolving commitments thereunder from \$500 million to \$1 billion, (b) adds the Ingevity UK as a borrower under the revolving credit facility, and (c) modifies certain leverage ratio tests and thresholds.

Borrowings under the revolving credit facility bear interest at a rate per annum equal to either (a) the applicable term benchmark rate, subject to a zero floor, or (b) a base rate, in each case, plus an applicable margin of 1.00 percent to 1.75 percent for term benchmark loans and 0.00 percent to 0.75 percent for base rate loans.

Fees of \$3.0 million were incurred to secure the Amendment. These fees have been deferred and will be amortized over the term of the facility.

Term Loan Repayment

On the closing date of the Amendment, we repaid our outstanding Term Loan in an aggregate principal amount of \$323.0 million. Upon repayment, we recognized \$1.3 million in outstanding interest, \$0.4 million in repayment fees and accelerated the remaining deferred finance fees of \$0.4 million. The interest, fees, and accelerated deferred finance fees were recorded to Interest Expense, net on the condensed consolidated statements of operations during the three months ended June 30, 2022. Legal expenses associated with this redemption have been recorded as incurred.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Debt Covenants

Our indentures contain certain customary covenants (including covenants limiting Ingevity's and its restricted subsidiaries' ability to grant or permit liens on certain property securing debt, declare or pay dividends, make distributions on or repurchase or redeem capital stock, make investments in unrestricted subsidiaries, engage in sale and lease-back transactions, and engage in a consolidation or merger, or sell, transfer or otherwise dispose of all or substantially all of the assets of Ingevity and our restricted subsidiaries, taken as a whole) and events of default (subject in certain cases to customary exceptions, as well as grace and cure periods). The occurrence of an event of default under the 2028 Senior Notes could result in the acceleration of the note of such series and could cause a cross-default resulting in the acceleration of other indebtedness of Ingevity and its subsidiaries. We were in compliance with all covenants under the indenture as of June 30, 2022.

The credit agreements governing our revolving credit facility contain customary default provisions, including defaults for non-payment, breach of representations and warranties, insolvency, non-compliance with covenants and cross-defaults to other material indebtedness. The occurrence of an uncured event of default under the credit agreement could result in all loans and other obligations becoming immediately due and payable and our revolving credit facility being terminated. The credit agreement also contains certain customary covenants, including financial covenants. The revolving credit facility financial covenants require Ingevity to maintain on a consolidated basis a maximum total net leverage ratio of 4.0 to 1.0 (which may be increased to 4.5 to 1.0 under certain circumstances) and a minimum interest coverage ratio of 3.0 to 1.0. Our actual gross and net leverage, as calculated per the credit agreement, for the four consecutive quarters ended June 30, 2022 were 2.3 and 2.0, respectively, and our actual interest coverage for the four consecutive quarters ended June 30, 2022 was 9.3. We were in compliance with all covenants at June 30, 2022.

Note 10: Equity

The tables below provide a roll forward of equity.

<i>In millions, except per share data in thousands</i>	Common Stock		Additional paid in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total Equity
	Shares	Amount					
Balance at December 31, 2021	43,102	\$ 0.4	\$ 136.3	\$ 796.1	\$ 13.1	\$ (272.1)	\$ 673.8
Net income (loss)	—	—	—	60.8	—	—	60.8
Other comprehensive income (loss)	—	—	—	—	(10.1)	—	(10.1)
Common stock issued	42	—	—	—	—	—	—
Exercise of stock options, net	36	—	0.4	—	—	—	0.4
Tax payments related to vested restricted stock units	—	—	—	—	—	(1.8)	(1.8)
Share repurchase program	—	—	—	—	—	(40.4)	(40.4)
Share-based compensation plans	—	—	2.9	—	—	0.5	3.4
Balance at March 31, 2022	43,180	\$ 0.4	\$ 139.6	\$ 856.9	\$ 3.0	\$ (313.8)	\$ 686.1
Net income (loss)	—	—	—	59.8	—	—	59.8
Other comprehensive income (loss)	—	—	—	—	(46.7)	—	(46.7)
Common stock issued	18	—	—	—	—	—	—
Exercise of stock options, net	2	—	0.1	—	—	—	0.1
Tax payments related to vested restricted stock units	—	—	—	—	—	(0.2)	(0.2)
Share repurchase program	—	—	—	—	—	(49.5)	(49.5)
Noncontrolling interest distributions	—	—	—	—	—	—	—
Share-based compensation plans	—	—	3.3	—	—	1.4	4.7
Balance at June 30, 2022	43,200	\$ 0.4	\$ 143.0	\$ 916.7	\$ (43.7)	\$ (362.1)	\$ 654.3

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

	Common Stock				Accumulated other comprehensive income (loss)	Treasury stock	Total Equity
<i>In millions, except per share data in thousands</i>	Shares	Amount	Additional paid in capital	Retained earnings			
Balance at December 31, 2020	42,913	\$ 0.4	\$ 121.3	\$ 678.0	\$ 4.7	\$ (162.3)	\$ 642.1
Net income (loss)	—	—	—	48.7	—	—	48.7
Other comprehensive income (loss)	—	—	—	—	8.5	—	8.5
Common stock issued	97	—	—	—	—	—	—
Exercise of stock options, net	24	—	0.9	—	—	—	0.9
Tax payments related to vested restricted stock units	—	—	—	—	—	(2.3)	(2.3)
Share repurchase program	—	—	—	—	—	(39.4)	(39.4)
Share-based compensation plans	—	—	2.6	—	—	—	2.6
Balance at March 31, 2021	43,034	\$ 0.4	\$ 124.8	\$ 726.7	\$ 13.2	\$ (204.0)	\$ 661.1
Net income (loss)	—	—	—	44.3	—	—	44.3
Other comprehensive income (loss)	—	—	—	—	5.4	—	5.4
Common stock issued	19	—	—	—	—	—	—
Exercise of stock options, net	32	—	1.5	—	—	—	1.5
Tax payments related to vested restricted stock units	—	—	—	—	—	—	—
Share repurchase program	—	—	—	—	—	(28.7)	(28.7)
Share-based compensation plans	—	—	4.0	—	—	0.9	4.9
Balance at June 30, 2021	43,085	\$ 0.4	\$ 130.3	\$ 771.0	\$ 18.6	\$ (231.8)	\$ 688.5

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Accumulated other comprehensive income (loss)

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Foreign currency translation				
Beginning balance	\$ 3.1	\$ 23.7	\$ 18.4	\$ 16.4
Net gains (losses) on foreign currency translation	(53.0)	5.8	(69.6)	8.2
Gains (losses) on net investment hedges	7.8	(2.2)	9.5	4.2
Less: tax provision (benefit)	1.8	(0.5)	2.2	1.0
Net gains (losses) on net investment hedges	6.0	(1.7)	7.3	3.2
Other comprehensive income (loss), net of tax	(47.0)	4.1	(62.3)	11.4
Ending balance	\$ (43.9)	\$ 27.8	\$ (43.9)	\$ 27.8

Derivative instruments

Beginning balance	\$ 3.1	\$ (5.7)	\$ (2.1)	\$ (6.9)
Gains (losses) on derivative instruments	3.1	1.6	11.4	3.3
Less: tax provision (benefit)	0.7	0.4	2.7	0.8
Net gains (losses) on derivative instruments	2.4	1.2	8.7	2.5
(Gains) losses reclassified to net income	(2.8)	—	(4.3)	(0.1)
Less: tax (provision) benefit	(0.6)	—	(1.0)	—
Net (gains) losses reclassified to net income	(2.2)	—	(3.3)	(0.1)
Other comprehensive income (loss), net of tax	0.2	1.2	5.4	2.4
Ending balance	\$ 3.3	\$ (4.5)	\$ 3.3	\$ (4.5)

Pension and other postretirement benefits

Beginning balance	\$ (3.2)	\$ (4.8)	\$ (3.2)	\$ (4.8)
Unrealized actuarial gains (losses) and prior service (costs) credits	—	—	—	—
Less: tax provision (benefit)	—	—	—	—
Net actuarial gains (losses) and prior service (costs) credits	—	—	—	—
Amortization of actuarial and other (gains) losses, prior service cost (credits), and settlement and curtailment (income) charge reclassified to net income	0.1	0.1	0.1	0.1
Less: tax (provision) benefit	—	—	—	—
Net actuarial and other (gains) losses, amortization of prior service cost (credits), and settlement and curtailment (income) charge reclassified to net income	0.1	0.1	0.1	0.1
Other comprehensive income (loss), net of tax	0.1	0.1	0.1	0.1
Ending balance	\$ (3.1)	\$ (4.7)	\$ (3.1)	\$ (4.7)
Total AOCI ending balance at June 30	\$ (43.7)	\$ 18.6	\$ (43.7)	\$ 18.6

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Reclassifications of accumulated other comprehensive income (loss)

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Derivative instruments				
Currency exchange contracts ⁽¹⁾	\$ (1.8)	\$ —	\$ (1.8)	\$ —
Natural gas contracts ⁽²⁾	(0.8)	—	(0.8)	0.1
Interest rate swap contracts ⁽³⁾	(1.7)	—	(1.7)	—
Total before tax	(4.3)	—	(4.3)	0.1
(Provision) benefit for income taxes	1.0	—	1.0	—
Amount included in net income (loss)	<u>\$ (3.3)</u>	<u>\$ —</u>	<u>\$ (3.3)</u>	<u>\$ 0.1</u>
Pension and other post retirement benefits				
Amortization of prior service costs ⁽²⁾	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Total before tax	0.1	0.1	0.1	0.1
(Provision) benefit for income taxes	—	—	—	—
Amount included in net income (loss)	<u>\$ 0.1</u>	<u>\$ 0.1</u>	<u>\$ 0.1</u>	<u>\$ 0.1</u>

(1) Included within "Net sales" on the condensed consolidated statement of operations.

(2) Included within "Cost of sales" on the condensed consolidated statement of operations.

(3) Included within "Interest expense, net" on the condensed consolidated statement of operations.

Share Repurchases

On March 2, 2020, our Board of Directors authorized the repurchase of up to \$500 million of our common stock (the "2020 Authorization"), and rescinded the prior two outstanding repurchase authorizations. Under the 2020 Authorization, shares were permitted to be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market prevailing conditions and other factors, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

During the three and six months ended June 30, 2022, we repurchased \$49.5 million and \$89.9 million in common stock, representing 719,236 and 1,329,683 shares of our common stock at a weighted average cost per share of \$68.72 and \$67.59, respectively. At June 30, 2022, \$212.7 million remained unused under our 2020 Authorization. As described in Note 17 (Subsequent Events) to the Condensed Consolidated Financial Statements included within Part I. Item 1 of this Form 10-Q, the 2020 Authorization was rescinded by our Board of Directors on July 25, 2022 and replaced by a new share repurchase authorization of up to \$500 million of our common stock.

During the three and six months ended June 30, 2021, we repurchased \$28.7 million and \$68.1 million in common stock, representing 356,116 and 883,666 shares of our common stock at a weighted average cost per share of \$80.50 and \$77.00, respectively.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Note 11: Retirement Plans

The following table summarizes the components of net periodic benefit cost (income) for our defined benefit pension plans:

<i>In millions</i>	Three Months Ended June 30,			
	Pensions		Other Benefits	
	2022	2021	2022	2021
Components of net periodic benefit cost (income):				
Service cost ⁽¹⁾	\$ 0.4	\$ 0.5	\$ —	\$ —
Interest cost ⁽²⁾	0.3	0.2	—	—
Expected return on plan assets ⁽²⁾	(0.5)	(0.4)	—	—
Amortization of prior service cost (credit) ⁽¹⁾	0.1	0.1	—	—
Amortization of net actuarial and other (gain) loss ⁽²⁾	—	—	—	—
Net periodic benefit cost (income)	\$ 0.3	\$ 0.4	\$ —	\$ —

<i>In millions</i>	Six Months Ended June 30,			
	Pensions		Other Benefits	
	2022	2021	2022	2021
Components of net periodic benefit cost (income):				
Service cost ⁽¹⁾	\$ 0.8	\$ 0.9	\$ —	\$ —
Interest cost ⁽²⁾	0.6	0.5	—	—
Expected return on plan assets ⁽²⁾	(0.9)	(0.7)	—	—
Amortization of prior service cost (credit) ⁽¹⁾	0.1	0.1	—	—
Amortization of net actuarial and other (gain) loss ⁽²⁾	—	—	—	—
Net periodic benefit cost (income)	\$ 0.6	\$ 0.8	\$ —	\$ —

(1) Amounts are recorded to "Cost of sales" on our condensed consolidated statements of operations consistent with the employee compensation costs that participate in the plan.
(2) Amounts are recorded to "Other (income) expense, net" on our condensed consolidated statements of operations.

Contributions

We did not make any voluntary cash contributions to our Union Hourly defined benefit pension plan in the six months ended June 30, 2022. There are no required cash contributions to our Union Hourly defined benefit pension plan in 2022, and we currently have no plans to make any voluntary cash contributions in 2022.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Note 12: Restructuring and Other (Income) Charges, net

Other (income) charges, net

Business transformation costs

In 2020, we embarked upon a business transformation initiative that includes the implementation of an upgraded enterprise resource planning ("ERP") system. This new ERP system will equip our employees with standardized processes and secure integrated technology that enable us to better understand and meet our customers' needs and compete in the marketplace. The implementation of our new ERP is expected to occur in multiple phases over two years beginning with our pilot deployment which occurred during the first quarter of 2022. This business transformation requires the integration of the new ERP system with multiple new and existing information systems and business processes in order to maintain the accuracy of our books and records and to provide our management team with real-time information important to the operation of our business. Such an implementation initiative is a major financial undertaking and will require substantial time and attention of management and key employees. Costs incurred, during the three and six months ended June 30, 2022, of \$3.7 million and \$7.3 million, respectively, and during the three and six months ended June 30, 2021, of \$4.3 million and \$8.1 million, respectively, represent costs directly associated with the business transformation initiative that, in accordance with GAAP, cannot be capitalized. Over the course of this initiative, we anticipate incurring approximately \$90-95 million of total costs, which includes \$45-50 million of non-capitalizable costs, \$15-17 million of which we expect to be incurred in 2022.

Rollforward of Restructuring Reserves

The following table shows a roll forward of restructuring reserves that will result in cash spending.

<i>In millions</i>	Balance at 12/31/2021 ⁽¹⁾	Change in Reserve	Cash Payments	Other ⁽²⁾	Balance at 6/30/2022 ⁽¹⁾
Restructuring Reserves	\$ 0.5	—	—	—	\$ 0.5

(1) Included in "Accrued Expenses" on the condensed consolidated balance sheets.

(2) Primarily foreign currency translation adjustments.

Note 13: Income Taxes

The effective tax rates, including discrete items, were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Effective tax rate ⁽¹⁾	21.8 %	39.9 %	21.7 %	31.4 %

(1) The decrease in the effective tax rate in the three and six months ended June 30, 2022 was driven by a one-time legislative tax rate change in 2021.

We determine our interim tax provision using an Estimated Annual Effective Tax Rate methodology ("EAETR"). The EAETR is applied to the year-to-date ordinary income, exclusive of discrete items. The tax effects of discrete items are then included to arrive at the total reported interim tax provision.

The determination of the EAETR is based upon a number of estimates, including the estimated annual pre-tax ordinary income in each tax jurisdiction in which we operate. As our projections of ordinary income change throughout the year, the EAETR will change period-to-period. The tax effects of discrete items are recognized in the tax provision in the period they occur. Depending on various factors, such as the item's significance in relation to total income and the rate of tax applicable in the jurisdiction to which it relates, discrete items in any quarter may materially impact the reported effective tax rate. As a global enterprise, our tax expense may be impacted by changes in tax rates or laws, the finalization of tax audits and reviews, as well as other factors. As such, there may be significant volatility in interim tax provisions.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

The below table provides a reconciliation between our reported effective tax rates and the EAETR.

<i>In millions, except percentages</i>	Three Months Ended June 30,					
	2022			2021		
	Before tax	Tax	Effective tax rate % impact	Before tax	Tax	Effective tax rate % impact
Consolidated operations	\$ 76.5	\$ 16.7	21.8 %	\$ 73.7	\$ 29.4	39.9 %
Discrete items:						
Restructuring and other (income) charges, net	—	—		—	—	
Acquisition and other-related costs	—	—		—	—	
Legislative tax rate changes ⁽¹⁾	—	0.1		—	(14.7)	
Other tax only discrete items	—	(0.2)		—	0.1	
Total discrete items	—	(0.1)		—	(14.6)	
Consolidated operations, before discrete items	\$ 76.5	\$ 16.6		\$ 73.7	\$ 14.8	
EAETR ⁽²⁾			21.7 %			20.1 %

<i>In millions, except percentages</i>	Six Months Ended June 30,					
	2022			2021		
	Before tax	Tax	Effective tax rate % impact	Before tax	Tax	Effective tax rate % impact
Consolidated operations	\$ 154.1	\$ 33.5	21.7 %	\$ 135.5	\$ 42.5	31.4 %
Discrete items:						
Restructuring and other (income) charges, net	—	—		0.1	—	
Legislative tax rate changes ⁽¹⁾	—	—		—	(14.7)	
Other tax only discrete items	—	(0.8)		—	0.2	
Total discrete items	—	(0.8)		0.1	(14.5)	
Consolidated operations, before discrete items	\$ 154.1	\$ 32.7		\$ 135.6	\$ 28.0	
EAETR ⁽²⁾			21.2 %			20.6 %

(1) Legislative tax rate changes in 2021, enacted in the United Kingdom ("UK"), resulted in discrete tax expense of \$14.7 million related to the revaluation of our net deferred tax liability associated with our UK operations. The corporate tax rate in the UK increased from 19.0% to 25.0%.

(2) Increase in EAETR for the three and six months ended June 30, 2022, as compared to June 30, 2021, is due to an overall change in the mix of forecasted earnings in various tax jurisdictions with varying rates, as well as an increase in foreign earnings deemed taxable in the US.

At June 30, 2022 and December 31, 2021, we had deferred tax assets of \$9.4 million and \$8.8 million, respectively, resulting from certain historical net operating losses from our Brazilian and Chinese operations and U.S. state tax credits for which a valuation allowance has been established. The ultimate realization of these deferred tax assets depends on the generation of future taxable income during the periods in which these net operating losses and tax credits are available to be used. In evaluating the realizability of these deferred tax assets, we consider projected future taxable income and tax planning strategies in making our assessment. As of June 30, 2022, we cannot objectively assert that these deferred tax assets are more likely than not to be realized and therefore we have maintained a valuation allowance. We intend to continue maintaining a valuation allowance on these deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of these allowances. A release of all or a portion of the valuation allowance could be possible, if we determine that sufficient positive evidence becomes available to allow us to reach a conclusion that the valuation allowance will no longer be needed. A release of the valuation allowance would result in the recognition of certain deferred tax assets and a reduction to income tax expense for the period the release is recorded. However, the exact timing and amount of the valuation allowance release are subject to change based on the level of profitability that we are able to actually achieve.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Note 14: Commitments and Contingencies

Legal Proceedings

On July 19, 2018, we filed suit against BASF Corporation (“BASF”) in the United States District Court for the District of Delaware (the “Delaware Proceeding”) alleging BASF infringed Ingevity’s patent covering canister systems used in the control of automotive gasoline vapor emissions (U.S. Patent No. RE38,844) (the “844 Patent”). On February 14, 2019, BASF asserted counterclaims against us in the Delaware Proceeding, alleging two claims for violations of U.S. antitrust law (one for exclusive dealing and the other for tying) as well as a claim for tortious interference with an alleged prospective business relationship between BASF and a BASF customer (the “BASF Counterclaims”). The BASF Counterclaims relate to our enforcement of the 844 Patent and our entry into several supply agreements with customers of its fuel vapor canister honeycombs. The U.S. District Court dismissed our patent infringement claims on November 18, 2020, and the case proceeded to trial on the BASF Counterclaims in September 2021.

On September 15, 2021, a jury in the Delaware Proceeding issued a verdict in favor of BASF on the BASF Counterclaims and awarded BASF damages of approximately \$28.3 million, which will be trebled under U.S. antitrust law to approximately \$85.0 million when the court enters judgment. In addition, BASF may seek pre- and post-judgment interest and attorneys’ fees and costs in amounts that they will have to support at a future date.

We disagree with the verdict, including the court’s application of the law, and we intend to seek judgment as a matter of law in the Delaware Proceeding post-trial briefing stage and on appeal, if necessary. In addition, we intend to challenge the U.S. District Court’s November 2020 dismissal of our patent infringement claims against BASF. Ingevity believes in the strength of its intellectual property and the merits of its position and intends to pursue all legal relief available to challenge these outcomes in the Delaware Proceeding. Final resolution of these matters could take up to eighteen months.

As of June 30, 2022, there has been no progress in the post-trial proceedings to warrant any change to our conclusions as disclosed within our 2021 Annual Report. As such, no changes to our reserve were made during this quarter. The full amount of the jury’s verdict, \$85.0 million, is accrued in Other liabilities on the condensed consolidated balance sheet as of June 30, 2022. The amount of any liability we may ultimately incur related to the Delaware Proceeding could be more or less than the amount accrued.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Note 15: Segment Information

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales				
Performance Materials	\$ 122.4	\$ 126.0	\$ 270.8	\$ 266.7
Performance Chemicals	297.5	232.4	531.9	412.0
Total net sales ⁽¹⁾	\$ 419.9	\$ 358.4	\$ 802.7	\$ 678.7
Segment EBITDA ⁽²⁾				
Performance Materials	\$ 55.6	\$ 61.3	\$ 133.5	\$ 135.0
Performance Chemicals	65.5	56.4	106.6	88.1
Total Segment EBITDA ⁽²⁾	\$ 121.1	\$ 117.7	\$ 240.1	\$ 223.1
Interest expense, net	(15.1)	(12.2)	(25.8)	(24.6)
(Provision) benefit for income taxes	(16.7)	(29.4)	(33.5)	(42.5)
Depreciation and amortization - Performance Materials	(8.8)	(8.8)	(17.8)	(17.9)
Depreciation and amortization - Performance Chemicals	(17.0)	(18.3)	(35.1)	(36.2)
Restructuring and other income (charges), net ⁽³⁾	(3.7)	(4.3)	(7.3)	(8.2)
Acquisition and other-related costs ⁽⁴⁾	—	(0.4)	—	(0.7)
Net income (loss)	\$ 59.8	\$ 44.3	\$ 120.6	\$ 93.0

(1) Relates to external customers only, all intersegment sales and related profit have been eliminated in consolidation.

(2) Segment EBITDA is the primary measure used by our chief operating decision maker to evaluate the performance of and allocate resources among our operating segments. Segment EBITDA is defined as segment revenue less segment operating expenses (segment operating expenses consist of costs of sales, selling, general and administrative expenses, research and technical expenses, other (income) expense, net, excluding depreciation and amortization). We have excluded the following items from segment EBITDA: interest expense, net, associated with corporate debt facilities, income taxes, depreciation, amortization, restructuring and other (income) charges, net, acquisition and other related costs, litigation verdict charges, pension and postretirement settlement and curtailment (income) charges, net.

(3) Income (charges) for all periods presented relate to restructuring activity and costs associated with the business transformation initiative. For the three and six months ended June 30, 2022, charges of \$1.3 million and \$2.6 million relate to the Performance Materials segment and charges of \$2.4 million and \$4.7 million relate to the Performance Chemicals segment, respectively. For the three and six months ended June 30, 2021, charges of \$1.7 million and \$3.4 million relate to the Performance Materials segment and charges of \$2.6 million and \$4.8 million relate to the Performance Chemicals segment, respectively. For more detail on the charges incurred see Note 12.

(4) For the three and six months ended June 30, 2021, charges of \$0.2 million and \$0.2 million relate to the acquisition of a strategic investment in the Performance Materials segment and charges of \$0.2 million and \$0.5 million relate to the integration of the Perstorp Capa business into our Performance Chemicals segment, respectively.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

Note 16: Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) for the period by the weighted average number of common shares and potentially dilutive common shares outstanding for the period. The calculation of diluted net income per share excludes all antidilutive common shares.

<i>In millions, except share and per share data</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income (loss)	\$ 59.8	\$ 44.3	\$ 120.6	\$ 93.0
Basic and Diluted earnings (loss) per share				
Basic earnings (loss) per share	\$ 1.55	\$ 1.11	\$ 3.11	\$ 2.31
Diluted earnings (loss) per share	1.54	1.10	3.09	2.30
Shares <i>(in thousands)</i>				
Weighted average number of common shares outstanding - Basic	38,515	40,030	38,762	40,226
Weighted average additional shares assuming conversion of potential common shares	233	288	250	279
Shares - diluted basis	38,748	40,318	39,012	40,505

The following average number of potential common shares were antidilutive, and therefore, were not included in the diluted earnings per share calculation:

<i>In thousands</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Average number of potential common shares - antidilutive	217	93	201	76

Note 17: Subsequent Events

Share Repurchase

On July 25, 2022, our Board of Directors authorized the repurchase of up to \$500 million of our common stock (the "2022 Authorization"), and rescinded the prior outstanding 2020 Authorization with respect to the shares that remained unused under the 2020 Authorization. Shares under the 2022 Authorization may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market prevailing conditions and other factors, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

Ozark Materials Acquisition

On July 31, 2022, we entered into an Equity Purchase Agreement (the "Purchase Agreement"), with Ozark Holdings, Inc. ("Seller"), Ozark Materials, LLC, ("OM"), and Ozark Logistics, LLC, ("OL" and, together with OM, "Ozark Materials"), pursuant to which, among other things, we will acquire all of the issued and outstanding limited liability company membership interests of Ozark Materials (the "Acquisition").

Ozark Materials is a leading producer of pavement marking materials, including thermoplastic pavement markings, waterborne traffic paints, and preformed thermoplastics.

The purchase price for the Acquisition is \$325 million, subject to a customary adjustment for working capital, indebtedness and transaction expenses. We expect to finance the Acquisition through a combination of borrowings under our existing credit facilities and cash on hand.

The Purchase Agreement contains representations, warranties and covenants and conditions to closing that the Company believes are customary for a transaction of this size and type (including all required consents, approvals and waivers

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
June 30, 2022
(Unaudited)

under applicable antitrust laws). Seller does not have a material relationship with us and the Acquisition will not be an affiliated transaction.

The closing of the Acquisition is subject to satisfaction of certain customary conditions, including regulatory approvals, but is not subject to any financing or similar condition. The Acquisition is expected to close early in the fourth quarter of 2022. The Purchase Agreement contains customary termination rights for Ingevity and the Seller.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

Management's discussion and analysis of Ingevity Corporation's ("Ingevity," "the company," "we," "us," or "our") financial condition and results of operations ("MD&A") is provided as a supplement to the Condensed Consolidated Financial Statements and related notes included elsewhere herein to help provide an understanding of our financial condition, changes in financial condition and results of our operations. The following discussion should be read in conjunction with Ingevity's consolidated financial statements as of and for the year ended December 31, 2021 filed on February 24, 2022 with the Securities and Exchange Commission ("SEC") as part of the Company's Annual Reporting on Form 10-K ("2021 Annual Report") and the unaudited interim Condensed Consolidated Financial Statements and notes to the unaudited interim Condensed Consolidated Financial Statements, which are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Investors are cautioned that the forward-looking statements contained in this section and other parts of this Quarterly Report on Form 10-Q involve both risk and uncertainty. Several important factors could cause actual results to differ materially from those anticipated by these statements. Many of these statements are macroeconomic in nature and are, therefore, beyond the control of management. See "Cautionary Statements About Forward-Looking Statements" below and at the beginning of our 2021 Annual Report.

Cautionary Statements About Forward-Looking Statements

This section and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements, within the meaning of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Private Securities Litigation Reform Act of 1995 that reflect our current expectations, beliefs, plans or forecasts with respect to, among other things, future events and financial performance. Forward-looking statements are often characterized by words or phrases such as "may," "will," "could," "should," "would," "anticipate," "estimate," "expect," "outlook," "project," "intend," "plan," "believe," "target," "prospects," "potential" and "forecast," and other words, terms and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. We caution readers that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Such risks and uncertainties include, among others, those discussed in Part I, Item 1A. Risk Factors of our 2021 Annual Report, as well as in our unaudited Condensed Consolidated Financial Statements, related notes, and the other information appearing elsewhere in this report and our other filings with the SEC. We do not intend, and undertake no obligation, to update any of our forward-looking statements after the date of this report to reflect actual results or future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. In addition to any such risks, uncertainties and other factors discussed elsewhere herein, risks, uncertainties and other factors that could cause or contribute to actual results differing materially from those expressed or implied by the forward-looking statements include, but are not limited to the following:

- adverse effects from the novel coronavirus ("COVID-19") pandemic;
- we may be adversely affected by general global economic, geopolitical and financial conditions beyond our control, including inflation and war in Ukraine;
- we are exposed to risks related to our international sales and operations;
- adverse conditions in the automotive market have and may continue to negatively impact demand for our automotive carbon products;
- we face competition from substitute products, new technologies and new or emerging competitors;
- if more stringent air quality standards worldwide are not adopted, our growth could be impacted;
- we may be adversely affected by a decrease in government infrastructure spending;
- adverse conditions in cyclical end markets may adversely affect demand for our products;
- our Performance Chemicals segment is highly dependent on crude tall oil ("CTO") which is limited in supply and subject to price increases that we may be unable to pass through;

- lack of access to sufficient CTO and other raw materials upon which we depend would impact our ability to produce our products;
- the inability to make or effectively integrate future acquisitions may negatively affect our results;
- we are dependent upon third parties for the provision of certain critical operating services at several of our facilities;
- we may continue to be adversely affected by disruptions in our supply chain;
- the occurrence of natural disasters and extreme weather or other unanticipated problem such as labor difficulties (including work stoppages), equipment failure or unscheduled maintenance and repair, which could result in operational disruptions of varied duration;
- we are dependent upon attracting and retaining key personnel;
- we are dependent on certain large customers;
- from time to time, we may be engaged in legal actions associated with our intellectual property rights;
- if we are unable to protect our intellectual property and other proprietary information, we may lose significant competitive advantage;
- information technology security breaches and other disruptions;
- complications with the design or implementation of our new enterprise resource planning system;
- government policies and regulations, including, but not limited to, those affecting the environment, climate change, tax policies, tariffs and the chemicals industry; and
- losses due to lawsuits arising out of environmental damage or personal injuries associated with chemical or other manufacturing processes.

Overview

Ingevity is a leading global manufacturer of specialty chemicals and high performance activated carbon materials. We provide innovative solutions to meet our customers' unique and demanding requirements through proprietary formulated products. We report in two business segments, Performance Materials and Performance Chemicals.

Recent Developments

War in Ukraine

We are monitoring the ongoing war between Russia and Ukraine, including the related sanctions imposed on Russia and Belarus by the U.S. and other countries. We have not seen and do not foresee any direct material adverse effects on our business. However, as a result of the geopolitical disruption, we have experienced volatility in energy prices, specifically natural gas, but the impact has not been and is not expected to be material to our results.

Financing Activities

On April 27, 2022, we redeemed the \$300.0 million outstanding aggregate principal balance of our 4.50% Senior Notes due in 2026 prior to maturity. On June 23, 2022, we repaid our outstanding Term Loan in an aggregate principal amount of \$323.0 million and we amended and restated our revolving credit facility. Refer to Note 9 to the Condensed Consolidated Financial Statements included within Part I. Item 1 of this Form 10-Q for more information.

Results of Operations

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 419.9	\$ 358.4	\$ 802.7	\$ 678.7
Cost of sales	269.3	218.6	514.3	412.7
Gross profit	150.6	139.8	288.4	266.0
Selling, general, and administrative expenses	48.7	47.5	88.7	87.5
Research and technical expenses	8.2	5.9	15.5	12.5
Restructuring and other (income) charges, net	3.7	4.3	7.3	8.2
Acquisition-related costs	—	0.4	—	0.7
Other (income) expense, net	(1.6)	(4.2)	(3.0)	(3.0)
Interest expense, net	15.1	12.2	25.8	24.6
Income (loss) before income taxes	76.5	73.7	154.1	135.5
Provision (benefit) for income taxes	16.7	29.4	33.5	42.5
Net income (loss)	\$ 59.8	\$ 44.3	\$ 120.6	\$ 93.0

Net sales

The table below shows the 2022 Net sales and variances from 2021:

<i>In millions</i>	Prior year Net sales	Change vs. prior year			Current year Net Sales
		Volume	Price/Mix	Currency effect	
Three months ended June 30, 2022 vs. 2021	\$ 358.4	(12.6)	81.7	(7.6)	\$ 419.9
Six months ended June 30, 2022 vs. 2021	\$ 678.7	(6.0)	140.2	(10.2)	\$ 802.7

Three Months Ended June 30, 2022 vs. 2021

The sales increase of \$61.5 million in 2022 was driven by favorable pricing of \$81.7 million (23 percent), partially offset by unfavorable volume decline in both of our segments for a combined impact of \$12.6 million (four percent) and unfavorable foreign currency exchange of \$7.6 million (two percent).

Gross profit increase of \$10.8 million was driven by favorable pricing improvement of \$80.1 million, partially offset by increased manufacturing costs of \$61.9 million due to raw material and energy cost inflationary pressures, unfavorable sales volume of \$5.6 million and unfavorable foreign currency exchange of \$1.8 million. Refer to the Segment Operating Results section included within this MD&A for more information on the drivers to the changes in gross profit period over period for both segments.

Six Months Ended June 30, 2022 vs. 2021

The sales increase of \$124.0 million in 2022 was driven by favorable pricing of \$140.2 million (21 percent), partially offset by unfavorable foreign currency exchange of \$10.2 million (two percent) and unfavorable volume decline in both of our segments for a combined impact of \$6.0 million (one percent).

Gross profit increase of \$22.4 million was driven by favorable pricing improvement of \$138.4 million, partially offset by increased manufacturing costs of \$109.7 million due to raw material and energy cost inflationary pressures, unfavorable foreign currency exchange of \$3.3 million and unfavorable sales volume of \$3.0 million. Refer to the Segment Operating Results section included within this MD&A for more information on the drivers to the changes in gross profit period over period for both segments.

Selling, general and administrative expenses

Three Months Ended June 30, 2022 vs. 2021

Selling, general and administrative expenses ("SG&A") were \$48.7 million (11.6 percent of Net sales) and \$47.5 million (13.3 percent of Net sales) for the three months ended June 30, 2022 and 2021, respectively. The decrease in SG&A as a percentage of Net sales was driven by higher sales and decreased legal costs of \$1.7 million. The positive impact was partially offset by increased travel and other miscellaneous costs of \$2.7 million and higher employee-related costs of \$0.2 million.

Six Months Ended June 30, 2022 vs. 2021

SG&A was \$88.7 million (11.1 percent of Net sales) and \$87.5 million (12.9 percent of Net sales) for the six months ended June 30, 2022 and 2021, respectively. The decrease in SG&A as a percentage of Net sales was driven by higher sales, reduced employee-related costs of \$1.2 million and reduced legal costs of \$3.5 million. The positive impact was partially offset by increased travel and other miscellaneous costs of \$5.9 million.

Research and technical expenses

Three Months Ended June 30, 2022 vs. 2021

Research and technical expenses as a percentage of Net sales increased to 2.0 percent from 1.6 percent for the three months ended June 30, 2022 and 2021, respectively.

Six Months Ended June 30, 2022 vs. 2021

Research and technical expenses as a percentage of Net sales remained relatively consistent period over period, increasing to 1.9 percent from 1.8 percent for the six months ended June 30, 2022 and 2021, respectively.

Restructuring and other (income) charges, net

Three and Six Months Ended June 30, 2022 vs. 2021

Restructuring and other (income) charges, net were \$3.7 million and \$7.3 million for the three and six months ended June 30, 2022, respectively, and \$4.3 million and \$8.2 million for the three and six months ended June 30, 2021, respectively. See Note 12 to the Condensed Consolidated Financial Statements included within Part I. Item 1 of this Form 10-Q for more information.

Acquisition-related costs

Three and Six Months Ended June 30, 2022 vs. 2021

Acquisition-related costs were zero for the three and six months ended June 30, 2022, respectively, and \$0.4 million and \$0.7 million for the three and six months ended June 30, 2021, respectively. For the three and six months ended June 30, 2021, charges of \$0.2 million and \$0.2 million relate to the acquisition of a strategic investment in the Performance Materials segment, respectively, and charges of \$0.2 million and \$0.5 million relate to the integration of Perstorp Holding AB's caprolactone business into our Performance Chemicals segment, respectively.

Other (income) expense, net

Three and Six Months Ended June 30, 2022 vs. 2021

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Foreign currency exchange (income) loss	\$ 0.1	\$ 0.2	\$ 0.4	\$ 1.9
Other (income) expense, net	(1.7)	(4.4)	(3.4)	(4.9)
Total Other (income) expense, net	<u>\$ (1.6)</u>	<u>\$ (4.2)</u>	<u>\$ (3.0)</u>	<u>\$ (3.0)</u>

Interest expense, net

Three and Six Months Ended June 30, 2022 vs. 2021

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Finance lease obligations	\$ 1.9	\$ 1.9	\$ 3.7	\$ 3.7
Revolving credit and term loan facilities ⁽¹⁾	4.2	2.0	6.1	4.2
Senior note ⁽¹⁾	12.7	9.2	21.9	18.4
Other interest (income) expense, net	(3.7)	(0.9)	(5.9)	(1.7)
Total Interest expense, net	<u>\$ 15.1</u>	<u>\$ 12.2</u>	<u>\$ 25.8</u>	<u>\$ 24.6</u>

(1) See Note 9 within the Condensed Consolidated Financial Statements for more information.

Provision (benefit) for income taxes

Three and Six Months Ended June 30, 2022 vs. 2021

For the three months ended June 30, 2022 and 2021, our effective tax rate was 21.8 percent and 39.9 percent, respectively. Excluding discrete items, the effective tax rate was 21.7 percent and 20.1 percent, respectively. An explanation of the change in the effective tax rate is presented in Note 13 to the Condensed Consolidated Financial Statements included within Part I. Item 1 of this Form 10-Q.

For the six months ended June 30, 2022 and 2021, our effective tax rate was 21.7 percent and 31.4 percent, respectively. Excluding discrete items, the effective rate was 21.2 percent and 20.6 percent, respectively. An explanation of the change in the effective tax rate is presented in Note 13 to the Condensed Consolidated Financial Statements included within Part I. Item 1 of this Form 10-Q.

Segment Operating Results

In addition to the information discussed above, the following sections discuss the results of operations for both of Ingevity's segments. Our segments are (i) Performance Materials and (ii) Performance Chemicals. Segment Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources among our operating segments. Segment EBITDA is defined as segment revenue less segment operating expenses (segment operating expenses consist of costs of sales, selling, general and administrative expenses, research and technical expenses, other (income) expense, net, excluding depreciation and amortization). We have excluded the following items from segment EBITDA: interest expense, net associated with corporate debt facilities, income taxes, depreciation, amortization, restructuring and other (income) charges, net, acquisition and other-related costs, litigation verdict charges, and pension and postretirement settlement and curtailment (income) charges.

In general, the accounting policies of the segments are the same as those described in the Summary of Significant Accounting Policies in the Annual Consolidated Financial Statements included in our 2021 Annual Report.

Performance Materials

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Total Performance Materials - Net sales	\$ 122.4	\$ 126.0	\$ 270.8	\$ 266.7
Segment EBITDA	\$ 55.6	\$ 61.3	\$ 133.5	\$ 135.0

Net Sales Comparison of Three and Six Months Ended June 30, 2022 and June 30, 2021:

<i>Performance Materials (In millions)</i>	Prior year Net sales	Change vs. prior year			Current year Net sales
		Volume	Price/Mix	Currency effect	
Three months ended June 30, 2022 vs. 2021	\$ 126.0	(4.7)	3.4	(2.3)	\$ 122.4
Six months ended June 30, 2022 vs. 2021	\$ 266.7	(1.0)	7.2	(2.1)	\$ 270.8

Three Months Ended June 30, 2022 vs. 2021

Segment net sales decrease of \$3.6 million in 2022 was driven by volume decline of \$4.7 million (four percent) and unfavorable foreign currency exchange of \$2.3 million (two percent), partially offset by favorable pricing of \$3.4 million (three percent).

Our Performance Materials segment experienced volume decline from China COVID-related shutdowns, offsetting favorable growth of automotive products in North America. Favorable pricing recognized in the second quarter was driven primarily by base automotive carbon price increases. Process purification sales were higher as volume increased and we were able to increase prices to capture more of the value of our highly differentiated carbon.

Segment EBITDA decreased \$5.7 million due to higher manufacturing costs of \$5.0 million, unfavorable volume of \$3.4 million, and unfavorable foreign currency exchange of \$2.2 million, partially offset by decreased SG&A and research and technical expenses of \$1.1 million, and favorable pricing of \$3.8 million.

Six Months Ended June 30, 2022 vs. 2021

Segment net sales increase of \$4.1 million in 2022 was driven by favorable pricing of \$7.2 million (three percent), partially offset by volume decline of \$1.0 million (zero percent) and unfavorable foreign currency exchange of \$2.1 million (one percent).

Segment EBITDA decreased \$1.5 million due to higher manufacturing costs of \$7.3 million, unfavorable volume of \$2.2 million, and unfavorable foreign currency exchange of \$1.5 million, partially offset by decreased SG&A and research and technical expenses of \$3.6 million, and favorable pricing of \$5.9 million.

Performance Chemicals

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net Sales				
Pavement Technologies product line	\$ 77.8	\$ 67.7	\$ 105.7	\$ 89.1
Industrial Specialties product line	165.9	120.1	310.6	232.2
Engineered Polymers product line	53.8	44.6	115.6	90.7
Total Performance Chemicals - Net sales	<u>\$ 297.5</u>	<u>\$ 232.4</u>	<u>\$ 531.9</u>	<u>\$ 412.0</u>
Segment EBITDA	\$ 65.5	\$ 56.4	\$ 106.6	\$ 88.1

Net Sales Comparison of Three and Six Months Ended June 30, 2022 and June 30, 2021:

<i>Performance Chemicals (In millions)</i>	Prior year Net sales	Change vs. prior year			Current year Net Sales
		Volume	Price/Mix	Currency effect	
Three months ended June 30, 2022 vs. 2021	\$ 232.4	(7.9)	78.3	(5.3)	\$ 297.5
Six months ended June 30, 2022 vs. 2021	\$ 412.0	(5.0)	133.0	(8.1)	\$ 531.9

Three Months Ended June 30, 2022 vs. 2021

Segment net sales increase of \$65.1 million reflects favorable pricing and product mix of \$78.3 million (34 percent), driven by increases in industrial specialties (\$55.1 million), engineered polymers (\$15.2 million), and pavement technologies (\$8.0 million). Unfavorable volume impacted Net sales by \$7.9 million (three percent), consisting of volume in decreases in industrial specialties (\$8.1 million) and engineered polymers (\$2.5 million), partially offset by increases in pavement technologies (\$2.7 million). Unfavorable foreign currency exchange impacted Net sales by \$5.3 million (two percent).

Our Performance Chemicals segment saw strong revenue growth versus the prior year's quarter on solid end-market demand and continued price improvement. These price increases were necessary to keep pace with the dramatic increases we are experiencing related to energy, raw material, and logistic costs.

Our Engineered Polymers business grew 20.6 percent as the business increased pricing to offset inflationary costs for raw materials, logistics, and particularly energy which spiked in the fourth quarter of 2021 and has remained at elevated levels. Volumes were impacted by temporary supplier extended outages and operational challenges. From a regional perspective, sales in Europe, Middle East, and Africa ("EMEA") for our products were robust in the quarter due to demand in polyurethane and polymer additives. This was offset by a decline in the Americas where some polyurethane customers experienced availability issues with key raw materials.

Industrial Specialties sales increased 38.1 percent with strong performance across all markets, particularly in oilfield and adhesives primary end-use markets and lubricants metalworking applications. Price improvements were supplemented by a favorable mix shift to higher-value derivative products as volumes were impacted by raw material availability.

Pavement Technologies sales increased 14.9 percent due primarily to improved volumes, primarily in the Americas, and supplemented by price increases.

Segment EBITDA increased by \$9.1 million due to favorable pricing and product mix of \$76.3 million, partially offset by higher manufacturing costs of \$57.4 million, higher SG&A expenses of \$6.5 million, a decrease in volume of \$2.2 million, and unfavorable foreign currency exchange of \$1.1 million.

Six Months Ended June 30, 2022 vs. 2021

Segment net sales increase of \$119.9 million was driven by favorable pricing and product mix of \$133.0 million (32 percent), driven by increases in industrial specialties (\$94.8 million), engineered polymers (\$30.1 million), and pavement technologies (\$8.1 million). Unfavorable volume impacted Net sales by \$5.0 million (one percent), consisting of decreases in industrial specialties (\$14.9 million), offset partially by increases in pavement technologies (\$9.3 million) and engineered polymers (\$0.6 million). Unfavorable foreign currency exchange impacted Net sales by \$8.1 million (two percent).

Segment EBITDA increased by \$18.5 million due to favorable pricing and product mix of \$132.5 million, partially offset by higher manufacturing costs of \$102.5 million, higher SG&A of \$10.4 million, a decrease in volume of \$0.8 million, and unfavorable foreign currency exchange of \$0.3 million.

Use of Non-GAAP Financial Measure - Adjusted EBITDA

Ingevity has presented the financial measure, Adjusted EBITDA, defined below, which has not been prepared in accordance with GAAP and has provided a reconciliation to net income, the most directly comparable financial measure calculated in accordance with GAAP. Adjusted EBITDA is not meant to be considered in isolation nor as a substitute for the most directly comparable financial measure calculated in accordance with GAAP. Adjusted EBITDA is utilized by management as a measure of profitability.

We believe this non-GAAP financial measure provides management as well as investors, potential investors, securities analysts and others with useful information to evaluate the performance of the business, because such measure, when viewed together with our financial results computed in accordance with GAAP, provides a more complete understanding of the factors and trends affecting our historical financial performance and projected future results. We believe Adjusted EBITDA is a useful measure because it excludes the effects of financing and investment activities as well as non-operating activities.

Adjusted EBITDA is defined as net income (loss) plus provision (benefit) for income taxes, interest expense, net, depreciation, amortization, restructuring and other (income) charges, net, acquisition and other-related costs, litigation verdict charges, and pension and postretirement settlement and curtailment (income) charges, net.

This non-GAAP measure is not intended to replace the presentation of financial results in accordance with GAAP and investors should consider the limitations associated with these non-GAAP measures, including the potential lack of comparability of these measures from one company to another. A reconciliation of Adjusted EBITDA to net income is set forth within this section.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income (loss) (GAAP)	\$ 59.8	\$ 44.3	\$ 120.6	\$ 93.0
Interest expense, net	15.1	12.2	25.8	24.6
Provision (benefit) for income taxes	16.7	29.4	33.5	42.5
Depreciation and amortization - Performance Materials	8.8	8.8	17.8	17.9
Depreciation and amortization - Performance Chemicals	17.0	18.3	35.1	36.2
Restructuring and other (income) charges, net	3.7	4.3	7.3	8.2
Acquisition and other-related costs	—	0.4	—	0.7
Adjusted EBITDA (Non-GAAP)	<u>\$ 121.1</u>	<u>\$ 117.7</u>	<u>\$ 240.1</u>	<u>\$ 223.1</u>

Adjusted EBITDA

Three and Six Months Ended June 30, 2022 vs. 2021

The factors that impacted adjusted EBITDA period to period are the same factors that affected earnings discussed in the Results of Operations and Segment Operating Results sections included within this MD&A.

Current Company Outlook

<i>In millions</i>	2022 Guidance
Net sales	\$1,525 - \$1,650
Adjusted EBITDA	\$430 - \$470
Operating Cash Flow	\$305 - \$325
Capital Expenditures	\$155 - \$175
Free Cash Flow*	~\$150

*Calculated as Operating Cash Flow less Capital Expenditures

Ingevity is holding its 2022 guidance of sales between \$1.525 billion to \$1.65 billion and adjusted EBITDA between \$430 million to \$470 million. For Performance Chemicals revenue, we expect to recognize favorable price improvements across the segment as we work to offset inflation in energy, raw material, and logistic costs. We expect continued volume growth in the Pavement Technologies and Engineered Polymers' business. Performance Materials will see moderate growth as we expect to benefit from some recovery of auto production.

Adjusted EBITDA is expected to grow versus 2021 mainly driven by our Performance Chemicals segment, where continued profitable growth in all businesses is expected to be partially offset by inflationary costs of energy, logistics, and primary raw materials. Additionally, we expect our Performance Materials segment results to be similar to 2021 as U.S., Chinese, Canadian, and European vehicle production continues to be negatively impacted by global supply chain disruption. We expect to deliver fiscal year 2022 Adjusted EBITDA of \$430 million to \$470 million. These estimates assume that 2022 will continue to be impacted by global logistical headwinds, geopolitical uncertainty, significant cost inflation, and supply chain disruptions.

A reconciliation of net income to adjusted EBITDA as projected for 2022 is not provided. Ingevity does not forecast net income as it cannot, without unreasonable effort, estimate or predict with certainty various components of net income. These components, net of tax, include further restructuring and other income (charges), net; additional acquisition and other-related costs; litigation verdict charges; additional pension and postretirement settlement and curtailment (income) charges; and revisions due to legislative tax rate changes. Additionally, discrete tax items could drive variability in our projected effective tax rate. All of these components could significantly impact such financial measures. Further, in the future, other items with similar characteristics to those currently included in adjusted EBITDA, that have a similar impact on comparability of periods, and which are not known at this time, may exist and impact adjusted EBITDA.

Liquidity and Capital Resources

The primary source of liquidity for our business is the cash flow provided by operating activities. We expect our cash flow provided by operations combined with cash on hand and available capacity under our revolving credit facility to be sufficient to fund our planned operations and meet our interest and other contractual obligations for at least the next twelve months. As of June 30, 2022, our undrawn capacity under our revolving credit facility was \$466.2 million. Over the next twelve months, we expect to fund the following: interest payments, capital expenditures, expenditures related to our business transformation initiative, debt principal repayments, purchases pursuant to our stock repurchase program, income tax payments, and to incur additional spending associated with our Performance Materials' intellectual property litigation. In addition, we may also evaluate and consider strategic acquisitions, joint ventures, or other transactions to create stockholder value and enhance financial performance. In connection with such transactions, or to fund other anticipated uses of cash, we may modify our existing revolving credit, redeem all or part of our outstanding senior note, seek additional debt financing, issue equity securities, or some combination thereof.

Cash and cash equivalents totaled \$131.3 million at June 30, 2022. We continuously monitor deposit concentrations and the credit quality of the financial institutions that hold our cash and cash equivalents, as well as the credit quality of our insurance providers, customers, and key suppliers.

Due to the global nature of our operations, a portion of our cash is held outside the U.S. The cash and cash equivalents balance at June 30, 2022, included \$87.4 million held by our foreign subsidiaries. Cash and earnings of our foreign subsidiaries are generally used to finance our foreign operations and their capital expenditures. We believe that our foreign holdings of cash will not have a material adverse impact on our U.S. liquidity. If these earnings were distributed, such amounts would be subject to U.S. federal income tax at the statutory rate less the available foreign tax credits, if any, and would potentially be subject to withholding taxes in the various jurisdictions. The potential tax implications of the repatriation of unremitted earnings are driven by facts at the time of distribution, therefore, it is not practicable to estimate the income tax liabilities that might be incurred if such cash and earnings were repatriated to the U.S. Management does not currently expect to repatriate cash earnings from our foreign operations in order to fund U.S. operations.

Other Potential Liquidity Needs

Share Repurchases

On March 2, 2020, our Board of Directors authorized the repurchase of up to \$500 million of our common stock and rescinded the prior two outstanding repurchase authorizations (the "2020 Authorization"). Under the 2020 Authorization, shares were permitted to be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market prevailing conditions and other factors, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

During the three and six months ended June 30, 2022, we repurchased \$49.5 million and \$89.9 million in common stock, representing 719,236 and 1,329,683 shares of our common stock at a weighted average cost per share of \$68.72 and \$67.59, respectively. At June 30, 2022, \$212.7 million remained unused under our 2020 Authorization. As described in Note 17 (Subsequent Events) to the Condensed Consolidated Financial Statements included within Part I. Item 1 of this Form 10-Q, the 2020 Authorization was rescinded by our Board of Directors on July 25, 2022 and replaced by a new share repurchase authorization of up to \$500 million of our common stock.

During the three and six months ended June 30, 2021, we repurchased \$28.7 million and \$68.1 million in common stock, representing 356,116 and 883,666 shares of our common stock at a weighted average cost per share of \$80.50 and \$77.00, respectively.

Capital Expenditures

Projected 2022 capital expenditures are \$155 - \$175 million. We have no material commitments associated with these projected capital expenditures as of June 30, 2022.

Cash flow comparison of the Six Months Ended June 30, 2022 and 2021

<i>In millions</i>	Six Months Ended June 30,	
	2022	2021
Net cash provided by (used in) operating activities	\$ 114.8	\$ 116.9
Net cash provided by (used in) investing activities	(58.6)	(57.2)
Net cash provided by (used in) financing activities	(193.3)	(83.6)

Cash flows provided by (used in) operating activities

During the first six months of 2022, cash flow provided by operations decreased due to increased accounts receivable related to the increase in net sales and an increase in inventory driven by price compared to 2021. Below provides a description of the changes to working capital during the first six months of 2022 (i.e. current assets and current liabilities).

Current Assets and Liabilities

<i>In millions</i>	June 30, 2022	December 31, 2021
Cash and cash equivalents	\$ 131.3	\$ 275.4
Accounts receivable, net	221.4	161.7
Inventories, net	277.0	241.2
Prepaid and other current assets	48.0	46.6
Total current assets	<u>\$ 677.7</u>	<u>\$ 724.9</u>

Current assets as of June 30, 2022, decreased \$47.2 million compared to December 31, 2021, primarily due to decreases in Cash and cash equivalents. Cash and cash equivalents decreased \$144.1 million compared to December 31, 2021, primarily due to share repurchases and our debt refinancing activities that occurred during the quarter ended June 30, 2022. These decreases were partially offset by increases in Accounts receivable, net of \$59.7 million due to increased sales during the quarter ended June 30, 2022, increases in Inventories, net of \$35.8 million driven by inflation, and increases in Prepaid and other current assets of \$1.4 million.

<i>In millions</i>	June 30, 2022	December 31, 2021
Accounts payable	\$ 168.3	\$ 125.8
Accrued expenses	44.8	51.7
Accrued payroll and employee benefits	30.6	48.2
Current operating lease liabilities	17.0	17.4
Notes payable and current maturities of long-term debt	0.9	19.6
Income taxes payable	5.6	6.2
Total current liabilities	<u>\$ 267.2</u>	<u>\$ 268.9</u>

Current liabilities as of June 30, 2022, decreased by \$1.7 million compared to December 31, 2021, primarily due to decreases in Notes payable and current maturities of long-term debt of \$18.7 million, Accrued payroll and employee benefits of \$17.6 million, Accrued expenses of \$6.9 million, Income taxes payable of \$0.6 million, and Current operating lease liabilities of \$0.4 million. This was partially offset by an increase in Accounts payable of \$42.5 million.

Cash flows provided by (used in) investing activities

Cash used by investing activities in the six months ended June 30, 2022 and June 30, 2021 was \$58.6 million and \$57.2 million, primarily driven by capital expenditures. In the six months ended June 30, 2022 and 2021, we acquired strategic investments in privately-held companies for \$2.0 million and \$16.5 million, respectively.

Capital expenditure categories

<i>In millions</i>	Six Months Ended June 30,	
	2022	2021
Maintenance	\$ 27.5	\$ 17.6
Safety, health and environment	7.0	5.4
Growth and cost improvement	22.7	17.9
Total capital expenditures	\$ 57.2	\$ 40.9

Cash flows provided by (used in) financing activities

Cash used in financing activities in the six months ended June 30, 2022, was \$193.3 million and was primarily driven by payments on long-term borrowings of \$628.1 million, payments on revolving credit facility of \$256.0 million, the repurchase of common stock of \$89.9 million, debt repayment costs of \$3.8 million, debt issuance costs of \$3.0 million and tax payments related to withholdings on restricted stock unit vestings of \$2.0 million, offset partially by proceeds from revolving credit facility borrowing of \$788.0 million. Cash used in financing activities in the six months ended June 30, 2021 was \$83.6 million and was primarily driven by the repurchase of common stock of \$68.1 million, payments on long-term borrowings of \$14.1 million.

New Accounting Guidance

Refer to Note 2 to the Condensed Consolidated Financial Statements included within Part I. Item 1 of this Form 10-Q for a full description of recent accounting pronouncements including the respective expected dates of adoption and expected effects on our Condensed Consolidated Financial Statements.

Critical Accounting Policies and Estimates

Our Condensed Consolidated Financial Statements are prepared in conformity with GAAP. The preparation of our financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We have described our accounting policies in Note 2 to our consolidated financial statements included in our 2021 Annual Report. We have reviewed these accounting policies, identifying those that we believe to be critical to the preparation and understanding of our financial statements. Critical accounting policies are central to our presentation of results of operations and financial condition and require management to make estimates and judgments on certain matters. We base our estimates and judgments on historical experience, current conditions and other reasonable factors. For a description of our critical accounting policies and estimates, refer to Part II, Item 7, Critical Accounting Policies and Estimates in our 2021 Annual Report. Our critical accounting policies have not substantially changed from those described in the 2021 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign currency exchange rate risk

We have foreign-based operations, primarily in Europe, South America and Asia, which accounted for approximately 23 percent of our net sales in the first six months of 2022. We have designated the local currency as the functional currency of our significant operations outside of the U.S. The primary currencies for which we have exchange rate exposure are the U.S. dollar versus the euro, the Japanese yen, the pound sterling, and the Chinese renminbi. In addition, certain of our domestic operations have sales to foreign customers. In the conduct of our foreign operations, we also make inter-company sales. All of this exposes us to the effect of changes in foreign currency exchange rates. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. In some cases, to minimize the effects of such fluctuations, we use foreign exchange forward contracts to hedge firm and highly anticipated foreign currency cash flows. Our largest exposures are to the Chinese renminbi and the euro. A hypothetical 10 percent adverse change, excluding the impact of any hedging instruments, in the average Chinese renminbi and euro to U.S. dollar exchange rates during the six months ended June 30, 2022, would have decreased our net sales and income before income taxes by approximately \$9.8 million or one percent, and \$4.1 million or two percent, respectively. Comparatively, a hypothetical 10 percent adverse change in the average Chinese renminbi and euro to U.S. dollar exchange rates during the six months ended June 30, 2021, would have decreased our net sales and income before income taxes by approximately \$8.5 million or one percent, and \$3.0 million or two percent, respectively.

Interest rate risk

As of June 30, 2022, approximately \$532 million of our borrowings include a variable interest rate component. As a result, we are subject to interest rate risk with respect to such floating-rate debt. A hypothetical 100 basis point increase in the variable interest rate component of our borrowings as of June 30, 2022 would have increased our interest expense by approximately \$5.3 million or 12 percent. Comparatively, a 100 basis point increase in the variable interest rate component of our borrowings as of June 30, 2021 would have increased our interest expense by approximately \$3.4 million or seven percent.

We had floating-to-fixed interest rate swaps with a combined notional amount of \$166.2 million to manage the variability of cash flows in the interest rate payments associated with our existing LIBOR-based interest payments, effectively converting \$166.2 million of our floating rate debt to a fixed rate. Per the terms of these instruments, we receive floating rate interest payments based upon three-month U.S. dollar LIBOR and in return are obligated to pay interest at a fixed rate of 3.79 percent until July 2023. Due to the repayment of our term loan (refer to Note 9 to the Condensed Consolidated Financial Statements included within Part I. Item 1 of this Form 10-Q for more information), during the three months ended June 30, 2022, we terminated these interest rate swap instruments. Upon termination of the interest rate swap instruments, we reclassified a \$1.7 million gain from AOCI into Interest expense, net on the condensed consolidated statement of operations. The fair value of outstanding interest rate instruments at June 30, 2022 and December 31, 2021 was an asset (liability) of zero and \$(4.0) million, respectively.

Other market risks

Information about our other remaining market risks for the period ended June 30, 2022 does not differ materially from that discussed under Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk of our 2021 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls and Procedures

Ingevity maintains a system of disclosure controls and procedures designed to give reasonable assurance that information required to be disclosed in Ingevity's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. These controls and procedures also give reasonable assurance that information required to be disclosed in such reports is accumulated and communicated to management to allow timely decisions regarding required disclosures.

As of June 30, 2022, Ingevity's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, conducted an evaluation of the effectiveness of Ingevity's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the CEO and CFO concluded that these disclosure controls and procedures are effective at the reasonable assurance level described above.

b) Changes in Internal Control over Financial Reporting

There has been no change in Ingevity's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended June 30, 2022 that has materially affected, or is reasonably likely to materially affect, Ingevity's internal control over financial reporting.

We are implementing a new global enterprise resource planning (“ERP”) system, which will replace our existing operating and financial systems. The implementation is expected to occur in multiple phases over two years beginning with our pilot deployment which occurred during the first quarter of 2022. Currently, we have had no changes in our internal controls over financial reporting with respect to this implementation, however, as the implementation progresses, we will give appropriate consideration to whether any process changes necessitate changes in the design of and testing for effectiveness of internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding certain of these matters is set forth below and in Note 14 – Commitments and Contingencies to the Condensed Consolidated Financial Statements included within Part I. Item 1 of this Form 10-Q.

ITEM 1A. RISK FACTORS

Part I, Item 1A, Risk Factors of our 2021 Annual Report sets forth information relating to important risks and uncertainties that could materially adversely affect the Company's business, financial condition and operating results.

There have been no material changes in Ingevity's risk factors disclosed in Part I, Item 1A, Risk Factors of our 2021 Annual Report and Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table summarizes information with respect to the purchase of our common stock during the three months ended June 30, 2022.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs ^{(1) (2)}
April 1-30, 2022	—	\$ —	—	\$ 262,175,326
May 1-31, 2022	345,155	\$ 66.96	345,155	\$ 239,064,755
June 1-30, 2022	374,081	\$ 70.35	374,081	\$ 212,746,330
Total	719,236		719,236	

(1) On March 2, 2020, our Board of Directors authorized the repurchase of up to \$500 million of our common stock, and rescinded the prior two outstanding repurchase authorizations. Under the 2020 Authorization, shares were permitted to be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market prevailing conditions and other factors, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

(2) On July 25, 2022, our Board of Directors authorized the repurchase of up to \$500 million of our common stock, and rescinded the prior outstanding 2020 Authorization with respect to the shares that remained unused under the 2020 Authorization. Shares under the 2022 Authorization may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market prevailing conditions and other factors, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit
<u>3.2*</u>	Third Amended and Restated Bylaws of Ingevity Corporation, effective July 25, 2022 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on July 27, 2022).
<u>10.1+</u>	Offer Letter between Ingevity Corporation and Christine Stunyo dated April 27, 2022.
<u>10.2+†</u>	Severance and Change of Control Agreement between Ingevity Corporation and Christine Stunyo dated May 1, 2022.
<u>10.3+†</u>	Amended and Restated Severance and Change of Control Agreement between Ingevity Corporation and Erik Ripple dated February 14, 2022.
<u>10.4*</u>	Amendment and Restatement Agreement, dated as of June 23, 2022, among Ingevity Corporation, Ingevity Holdings SRL, Ingevity UK Ltd, the other loan parties party thereto, JPMorgan Chase Bank, N.A., as the administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on June 24, 2022).
<u>31.1</u>	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Executive Officer.
<u>31.2</u>	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Financial Officer.
<u>32.1</u>	Section 1350 Certification of the Company's Principal Executive Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
<u>32.2</u>	Section 1350 Certification of the Company's Principal Financial Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
101	Inline XBRL Instance Document and Related Items - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	The cover page from the Company's Quarterly Report on Form 10-Q formatted in Inline XBRL (included in Exhibit 101).

*Incorporated by reference

+ Management contract or compensatory plan or arrangement.

† Indicates that certain information has been omitted pursuant to Item 601(a)(5), Item 601(b)(2) and Item 601(b)(10) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INGEVITY CORPORATION (Registrant)

By: /S/ MARY DEAN HALL
Mary Dean Hall
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

Date: August 3, 2022

April 27, 2022

Christine Stunyo
[Address]

Dear Christine,

We are pleased to provide written confirmation of our offer of employment with Ingevity Corporation (“Ingevity”) as Senior Vice President, Chief Human Resources Officer reporting to me based at our global headquarters in North Charleston, South Carolina, effective on a mutually agreeable 2022 date.

Your compensation for this position will be \$33,333.33 monthly (\$400,000.00 annually), paid on the last working day of each month. In addition to your base salary, you will be eligible to participate in the following company plans and programs:

- **Annual Short - Term Incentive Plan:** Your annual incentive target for this position will be 60% of your base salary beginning with the 2022 plan year. Your target for this position will be prorated based on your start date for the 2022 plan year and will be paid in 2023, subject to satisfactory performance against objectives associated with the plan in which you participate. The Ingevity Short-Term Incentive Plan is funded primarily by Ingevity financial performance. 80% of your payout is based on the company’s financial performance against preestablished goals and 20% is based on your individual performance. Total payout may range from 0% to 200%.
- **Long-Term Incentive Program:** You will be eligible to participate in Ingevity’s performance based Long-Term Incentive Program, beginning with awards granted in 2023, with a target level of 100% of your base salary for your total target award opportunity under the 2023 Long-Term Incentive Program. Awards under this program are not automatic and are based on job performance, anticipated future contributions, and other factors. Awards are at the sole discretion of the Leadership Development and Compensation Committee of the Board of Directors.
 - The type and mix of Long-Term Incentive Program Awards are subject to change, as determined by the Leadership Development and Compensation Committee. By way of illustration only, equity awards granted in 2022 under the company’s Long-Term Incentive Program generally consisted of:
 - 25% Service-based restricted stock units (RSUs) with 3-year ratable vesting
 - 50% Performance-based restricted stock units (PSUs) with 3-year cliff vesting
 - PSUs may vest between 0% and 200% based on the company’s financial attainment against pre-established metrics over the 3-year performance period
 - 25% Non-qualified stock options with 3-year ratable vesting
- **Sign-on Bonus:** You will receive a one-time sign on bonus in the amount of \$173,000 to compensate you for the loss of your prorated annual incentive payout and 401K match from your current employer.
- **Equity Award:** Additionally, you will receive a one-time equity grant of RSUs in the amount of \$532,232 on the first trading day coincident with your start date. This equity award will make-up for the forfeitures of unvested equity under your current employer’s plan. The RSUs will vest ratably over a 3-year period on the anniversary date of the grant.
- **Deferred Compensation Plan:** You will be eligible to participate in the Deferred Compensation Plan in 2022. This nonqualified plan allows you to defer compensation on an income tax-deferred basis. Under the Deferred Compensation Plan, you generally may defer up to 80% of your base salary and your annual incentive compensation. The plan also has a 401k restoration component which will allow to defer compensation in excess of the IRS 401k limits. You will receive information regarding this plan during the open enrollment window on November 2022.
- **Severance and Change of Control Agreement:** You will be entitled to severance protections in accordance with, and subject to the terms and conditions of, the Severance and Change of Control Agreement enclosed herewith.

Ingevity offers a robust array of benefits, which are summarized below:

- **Health and Welfare Benefit Plans:** You will be eligible to participate in Ingevity medical, dental, vision and life insurance plans, as well as other welfare plans. Coverage under these plans becomes effective on your start date. Highlights of the plans will be provided in your "Ingevity Contingent Offer of Employment" email. You will receive more information about enrollment in these plans and the benefits provided under these plans during new-hire orientation.
- **Savings Plan:** You will be eligible to participate in Ingevity's Retirement Savings Plan, which is a 401(k) plan that allows you to make contributions of your pay on a pre-tax, Roth and after-tax basis. The plan generally also provides for a company match of up to 6% and a 3% automatic company contribution. Your contributions and any company match are 100% vested immediately, while any automatic contribution is 100% vested after 3 years. You will receive more information about enrollment in the Savings Plan during new hire orientation.
- **Vacation:** You will be eligible for vacation benefits beginning on your start date. Initial vacation eligibility is determined by your prior full-time work experience and increases over time according to the Ingevity Vacation Policy. Based on your previous years of professional experience, you are eligible for 4 weeks. In your first year of employment vacation time is prorated from your start date. Vacation time in subsequent years will be earned in accordance with the required years of service as stated in Ingevity's Vacation Policy.
- **Relocation:** To assist with your relocation, Ingevity is also pleased to extend to you, relocation assistance covering a variety of relocation costs as outlined in the Relocation Program included as an attachment in your Contingent Offer of Employment email. This program fully outlines obligations and benefits to which you will be entitled, as well as your obligations throughout the relocation process.

The above stated plans or programs are reviewed periodically, and may be amended based on company goals, business needs and legal requirements.

Compliance with Section 409A

It is intended that the provisions of this letter agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), and all arrangements set forth herein shall be construed, interpreted and implemented in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A; provided, however, that the tax treatment of benefits under this letter agreement is not warranted or guaranteed.

For purposes of any payments to be made upon your termination of employment, such term will mean your "separation from service" as defined under Section 409A. In the event that any payments under this letter agreement constitute "deferred compensation" subject to Section 409A and you are a "specified employee" as defined under Section 409A, no such payments will be made until six (6) months following your termination of employment, or if earlier, the date of your death. Any such payments that are delayed will be paid six (6) months following your termination, or, if earlier, the date of your death.

Eligibility / Employment At Will

As with all new employees, the above stated offer is contingent upon successful post-offer drug testing results along with satisfactory background/reference checks. Additionally, Ingevity is required to verify the identification and eligibility of new employees to work in the United States. On your first day of employment, please bring appropriate documentation regarding eligibility for employment. The verification form, detailing required documents, will be enclosed in your "Welcome to Ingevity" email.

All employment at Ingevity, contingent or otherwise, is at-will. All policies, manuals or similar documents are meant to be an explanation of policies or programs and do not change the terms of your at-will employment. Either you or Ingevity may terminate your employment at any time.

Other Ingevity Policies

As Senior Vice President, Chief Human Resources Officer, you will be subject to Ingevity's Stock Ownership Guidelines, as in effect from time to time. Currently, the Stock Ownership Guidelines require that you achieve stock ownership at a level equal to two times your base salary, and that you to retain 50 percent of the net shares received under Long-Term Incentive Plan awards until that stock ownership level is met.

Any compensation paid to you shall be subject to recoupment pursuant to the terms of any recoupment policy the company may adopt and as such policy may be from time to time amended.

More information about Ingevity's stock ownership guidelines, recoupment policy and other applicable company policies (including Ingevity's Insider Trading Policy and Code of Conduct) will be reviewed upon acceptance of this offer.

Christine, if the terms of this offer are acceptable, please indicate your agreement by signing, dating and returning this offer letter and the enclosed Severance and Change of Control Agreement to me by May 4, 2022.

Best,

/s/ John C. Fortson

John C. Fortson
President and Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Christine Stunyo

Name: Christine Stunyo

Date: May 1, 2022

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL. SUCH EXCLUDED INFORMATION IS DENOTED BY ASTERISKS IN BRACKETS [***].**

SEVERANCE AND CHANGE OF CONTROL AGREEMENT

THIS SEVERANCE AND CHANGE OF CONTROL AGREEMENT (the “Agreement”) by and between Ingevity Corporation, a Delaware corporation (together with its Affiliated Companies, as hereafter defined, being the “Company”), and Christine Stunyo (the “Executive”) is dated as of the date set forth under the Company’s signature.

RECITALS

WHEREAS, the Board of Directors of the Company (the “Board”) has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication and objectivity of the Executive, to provide the Executive with an incentive to continue his or her employment, and to motivate the Executive to achieve and exceed performance goals. The Board also believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by certain involuntary terminations of employment absent Cause (as defined below), to encourage the Executive’s full attention and dedication to the Company currently, and to provide the Executive with compensation and benefits arrangements that are competitive with those of other corporations. In addition, the success of the Company’s business depends in part on the preservation of its confidential information, trade secrets and goodwill in the markets in which it competes. The Board and Executive have agreed to certain reasonable restrictions on Executive’s post-employment activities to protect these legitimate business interests. Therefore, in order to accomplish these objectives, the Board caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

1. **Change of Control.** For the purpose of this Agreement, a “Change of Control” shall mean:

- (a) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then-outstanding shares of Common Stock (the “Outstanding Company Common Stock”) or (ii) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); excluding, however, the following: (A) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted itself was acquired directly from the Company, (B) any repurchase by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (D) any acquisition pursuant to a transaction that complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 1(a); or
- (b) Individuals who, as of the date hereof, constitute the Board (such Board shall be hereinafter referred to as the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that, for purposes of this Section 1(b), any individual who becomes a member of the Board subsequent to the date hereof, whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; provided, further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by

or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

- (c) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”); excluding, however, such a Business Combination pursuant to which (i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 30% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership derives from ownership of a 30% or more interest in the Outstanding Company Common Stock and/or Outstanding Company Voting Securities that existed prior to the Business Combination, and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Business Combination; or
- (d) The approval by stockholders of a complete liquidation or dissolution of the Company.

2. Certain Other Definitions.

- (a) “Affiliated Companies” or “Affiliated Company” shall include any company controlled by, controlling or under common control with the Company.
 - (b) The “Change of Control Period” means the period commencing on the Effective Date and ending on the second anniversary of such date. The Change of Control Period shall terminate upon the termination of the Executive’s employment for any reason.
 - (c) “Competitive Product or Service” means any product or service that is substantially the same as or similar to any product or service sold or provided by Company during the “Restricted Period” (as defined below) and/or any product or service meant to accomplish the same or a similar purpose as, and/or to serve as a substitute for, products or services sold or provided by Company during the Term.
 - (d) “Company Competitor” means any business providing a Competitive Product or Service, and for the avoidance of doubt, includes the Named Company Competitors set forth on Exhibit B to this Agreement.
 - (e) “Confidential Information” means information relating to the Company or any of the Affiliated Companies, which has value to the Company or its Affiliated Companies and is not generally available to the public. This includes, but is not limited to, Customer lists, Company know-how, designs, formulae, processes, devices, machines, business contracts, financial data, inventions, research or development projects, plans for future development, materials of a business nature including marketing information, strategies and concepts, and pricing strategies.
 - (f) “Customer” means any person or entity that is a customer of Company as of the Termination Date (i.e, has an ongoing business relationship as of that date, whether or not there are then current outstanding commitments). Customer shall also include any prospective customer whose business
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you have actively been seeking on behalf of the Company within the six months prior to your Termination Date.

- (g) The “Effective Date” shall mean the first date during the Employment Period on which a Change of Control occurs.
 - (h) The “Employment Period” shall mean the period commencing on the date hereof and ending on the third anniversary of the date hereof, as subsequently extended as described below. The Employment Period shall be automatically extended for successive one-year periods unless the Company notifies the Executive in writing, at least six months prior to the end of the then current term that the Employment Period will not be extended. The Employment Period shall further be automatically extended immediately prior to any Change in Control such that the Employment Period (and this Agreement) shall be in effect throughout the entire Change in Control Period.
 - (i) “Indirect Customer” means any person or entity to whom Ingevity’s direct Customer supplies product that incorporates the Company’s products. In the case of the Company’s automotive carbon business, Indirect Customer includes the automobile manufacturers and any business that supplies product to an automobile manufacturer that includes the Company’s products.
 - (j) “Named Company Competitors” means those companies identified as such on Exhibit B.
 - (k) “Peer Executives” shall mean, at any given time, the other persons employed by the Company or any of the Affiliated Companies who were, immediately before the Effective Date, party to agreements with the Company substantially in the form of this Agreement.
 - (l) “Separation from Service” shall mean a separation from service as defined in Treasury Regulation Section 1.409A-1(h).
 - (m) “Supplier” means any supplier or vendor of any product or service to Company that Company, in turn, provides to or procures for any Customer.
 - (n) “Relevant Time” shall mean immediately before the Effective Date.
 - (o) “Restricted Period” means the Employment Period, including any extension or renewal thereof, plus a period of twelve (12) months following termination of Executive’s employment with Company for any reason. In the event Executive is found by a Court of competent jurisdiction to have violated any of the provisions of Sections 10-14 of this Agreement, the Restricted Period shall be extended by any such period of non-compliance.
 - (p) “Territory” means the territory set forth in Exhibit C to this Agreement.
3. Employment Term: The Company hereby agrees to continue the Executive in its employ, subject to the terms and conditions of this Agreement, for the Employment Period.
4. Terms of Employment.
- (a) Position and Duties.
 - i. During the Change of Control Period, there shall be no material reduction in any of the Executive’s position, authority, duties, responsibilities or salary grade as compared to those held, exercised and assigned to the Executive at the Relevant Time. Notwithstanding the foregoing, a change in title by itself shall not be a violation of this Section 4(a)(i); provided that the Executive continues to have responsibilities and authority that are, in the aggregate and in all material respects, comparable to those held by the Executive at the Relevant Time.
 - ii. During the Change of Control Period, the Executive’s services shall be performed at the location where the Executive was employed immediately preceding the Effective Date, or at any other location that does not result in the Executive’s commuting distance from the Executive’s residence being increased by more than 30 miles; provided, that if the Executive voluntarily changes his or her residence after the Effective Date, then a new work location shall not be considered to have increased the Executive’s commuting
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distance by more than 30 miles unless such an increase both (1) occurs in relation to the Executive's new residence; and (2) would have occurred even if the Executive had not changed his or her residence.

- iii. During the Change of Control Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable good faith efforts to perform such responsibilities consistent with his or her past practice. During the Change of Control or Employment Periods it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees; (B) deliver lectures, fulfill speaking engagements or teach at educational institutions; or (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such other activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

- i. Base Salary. During the Change of Control Period, the Executive shall receive an annual base salary ("Annual Base Salary") which shall be not less than the Executive's annual base salary from the Company and the Affiliated Companies as in effect immediately before the Effective Date. Any increase in Annual Base Salary during the Change of Control Period shall not serve to limit or reduce any other obligation to the Executive under this Agreement, and the Annual Base Salary shall not be reduced during the Change of Control Period.
 - ii. Incentive Compensation Opportunities. In addition to the Annual Base Salary, the Executive shall be granted, during the Change of Control Period, cash-based and equity-based awards representing the opportunity to earn incentive compensation on terms and conditions no less favorable to the Executive, in the aggregate, than those provided generally at any time after the Effective Date to the Peer Executives or, if more favorable to the Executive, than those provided by the Company and the Affiliated Companies for the Executive at the Relevant Time. In determining whether the Executive's incentive compensation opportunities during the Change of Control Period meet the requirements of the preceding sentence, there shall be taken into account all relevant terms and conditions, including, without limitation and to the extent applicable, the potential value of such awards at minimum, target and maximum performance levels, and the difficulty of achieving the applicable performance goals.
 - iii. Savings and Retirement Plans. During the Change of Control Period, the Executive shall be entitled to participate in all savings and retirement plans, practices, policies and programs applicable generally to the Peer Executives, on comparable terms and conditions, but in no event shall such plans, practices, policies and programs provide the Executive with retirement or savings opportunities, in each case, less favorable, in the aggregate, to the Executive than those provided by the Company and the Affiliated Companies to the Executive at the Relevant Time.
 - iv. Welfare Benefit Plans. During the Change of Control Period, the Executive and/or the Executive's family, as the case maybe, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and the Affiliated Companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel
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accident insurance plans and programs) (collectively, “Welfare Benefits”) to the extent applicable generally to the Peer Executives, on comparable terms and conditions, but in no event shall such Welfare Benefits for the Executive be substantially less favorable, in the aggregate, to the Executive than the Welfare Benefits provided by the Company and the Affiliated Companies to the Executive at the Relevant Time.

5. Termination of Employment.

- (a) Cause. The Company may terminate the Executive’s employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, “Cause” shall mean:
- i. the willful or gross neglect by the Executive to perform his or her employment duties with the Company or one of its Affiliated Companies in any material respect; or
 - ii. the plea of guilty or nolo contendere to, or conviction for, the commission of a felony offense by the Executive; or
 - iii. a material breach by the Executive of a fiduciary duty owed to the Company or one of its Affiliated Companies; or
 - iv. a material breach by the Executive of any nondisclosure, non-solicitation or non-competition obligation owed to the Company or any of its Affiliated Companies; or
 - v. a clearly established, willful and material violation by the Executive of the Company’s Code of Conduct; or
 - vi. a willful and material act by the Executive that represents a gross breach of trust that is inconsistent with the Executive’s position of authority with the Company and is materially and demonstrably injurious to the Company including through potential loss of reputation.

Prior to a termination for Cause, except in the case of a termination for (a)(ii) or in the case of a matter where there can be no reasonable opportunity to cure, the Executive shall be given notice and an opportunity to effectuate a cure as determined by the Company in its reasonable discretion.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered “willful” unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive’s action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

- (b) Good Reason. The Executive’s employment may be terminated by the Executive for Good Reason but only after a Change of Control during the Change of Control Period. Good Reason shall mean:
- i. A material diminution in the Executive’s Annual Base Salary;
 - ii. A material diminution in the Executive’s authority, duties, or responsibilities (other than as permitted by Section 4(a)(i) hereof);
 - iii. A material change in the geographic location at which the Executive must perform services for the Company in violation of Section 4(a)(ii) hereof; or
 - iv. Any other action or inaction that constitutes a material breach by the Company of this Agreement
- (c) Notice of Termination; Opportunity to Cure. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other

party hereto given in accordance with Section 20(c) of this Agreement. For purposes of this Agreement, a “Notice of Termination” means a written notice which (i) indicates the specific termination provision in this Agreement relied upon; (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated and (iii) specifies the Date of Termination (as defined below). If the Executive is terminating employment for Good Reason: (i) the Executive shall give the Company the Notice of Termination within 60 days following the event giving rise to the Executive’s Good Reason termination; and (ii) the Company shall have a period of 30 days after receiving the Notice of Termination to remedy the action or inaction on which Good Reason is based. If the Company fails to remedy the action or inaction on which Good Reason is based within such 30-day period, the Executive may terminate his or her or her employment for Good Reason within 30 days after the end of the cure period.

- (d) Date of Termination. “Date of Termination” means if the Executive’s employment is terminated by the Company or by the Executive, the date of receipt of the Notice of Termination or any date within 30 days thereafter that is specified in the Notice of Termination.

6. Obligations of the Company upon Termination.

- (a) Involuntary Termination of Employment, other than for Cause, absent a Change of Control. If the Company terminates the Executive’s employment other than for Cause prior to a Change of Control:
- i. The Company shall pay to the Executive (in the form and at the times described below) the following:
 - a. Within five days of the Date of Termination, a single lump sum of: (1) the Executive’s then current unpaid and outstanding Annual Base Salary through the Date of Termination; (2) the Executive’s annual incentive assuming target performance for the calendar year in which the Date of Termination occurs (the “Target Incentive”) prorated by multiplying such Target Incentive by a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365; plus (3) any accrued unpaid vacation pay, and
 - b. A severance payment equal to one (1) times the sum of (x) the Executive’s then current base salary and (y) the Executive’s Target Incentive, payable monthly over a one (1)-year period.
 - ii. The Company shall also pay the Executive a lump sum cash payment within five days following the Executive’s Date of Termination equal to the cost of health coverage for one (1) year, based on the monthly COBRA cost of such coverage under the Company’s health plan pursuant to Section 4980B of the Internal Revenue Code of 1986, as amended (the “Code”) on the Date of Termination.
 - iii. The Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be reasonable and consistent with industry practice for similarly situated executives and consistent with Section 19(b) of this Agreement.
 - iv. To the extent not already paid or provided, the Company shall timely pay or provide the Executive with any other benefits in accordance with the terms of the applicable plans.
- (b) Involuntary Termination of Employment, other than for Cause, or Good Reason Termination, following a Change of Control. If during the Change of Control Period, the Company shall terminate the Executive’s employment other than for Cause, or the Executive shall terminate employment for Good Reason:
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- i. The Company shall pay to the Executive (in the form and at the times described below) the following:
 - a. Within five days of the Date of Termination a single lump sum of: (1) the Executive's then current unpaid and outstanding Annual Base Salary through the Date of Termination; (2) the Executive's annual incentive assuming target performance for the calendar year in which the Date of Termination occurs (the "Target Incentive") prorated by multiplying such Target Incentive by a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365; plus (3) any unpaid accrued vacation pay, and
 - b. Within five days of the Date of Termination (unless otherwise prohibited by Section 19 (c)), a Severance payment equal to two (2) times the sum of (x) the Executive's Annual Base Salary and (y) the Executive's Target Incentive, payable in a single lump sum.
- ii. The Company shall also pay the Executive a lump sum cash payment within five days following the Executive's Date of Termination equal to the cost of health coverage for two (2) years, based on the monthly COBRA cost of such coverage under the Company's health plan pursuant to Section 4980B of the Code on the Date of Termination.
- iii. The Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be reasonable and consistent with industry practice for similarly situated executives and consistent with Section 19(b) of this Agreement.
- iv. The Company shall timely pay or deliver to the Executive any vested incentive compensation (equity and/or cash) in accordance with the terms of the Company's 2016 Omnibus Incentive Plan (or a successor plan, as applicable) and the terms and conditions of the applicable award agreements thereunder, as approved by the Leadership Development and Compensation Committee of the Board of Directors (the "Compensation Committee"), provided however, that with respect to any restricted stock unit award, the Executive shall become fully vested in such award and that with respect to any performance based award (equity and/or cash), the performance goals attached to such award shall be deemed achieved at the greater of target or actual performance levels (if such actual performance is determinable by the Compensation Committee) with no proration.
- v. To the extent not already paid or provided, the Company shall timely pay or provide the Executive with any other benefits in accordance with the terms of the applicable plans.

Notwithstanding the foregoing, except with respect to payments and benefits under Sections 6(a)(i)(a)(1), 6(a)(i)(a)(3), 6(b)(i)(a)(1) and 6(b)(i)(a)(3), all payments and benefits to be provided under this Section 6(a) shall be subject to the Executive's execution and non-revocation of a release substantially in the form attached hereto as Exhibit A. To the extent required by Section 409A of the Code, if payments and benefits subject to a release could be paid in two taxable years pursuant to the terms of this Section 6(a), such payments and benefits shall be paid in the later taxable year.

- (c) Cause: Other than for Good Reason. If the Executive's employment is terminated for Cause during the Employment Period, the Company shall provide to the Executive the Executive's then current and outstanding base salary through the Date of Termination, and any other vested benefits payable under applicable plans, and shall have no other obligations under this Severance and Change of Control Agreement.

- 7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of the Affiliated Companies and for which the Executive may qualify, nor, subject to Section 21(g), shall anything

herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of the Affiliated Companies. Amounts that are vested benefits or that the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of the Affiliated Companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement. Notwithstanding the foregoing, if the Executive receives the payments and benefits pursuant to Section 6(a) or 6(b) of this Agreement, the Executive shall not be entitled to any severance pay or benefits under any severance plan, program or policy of the Company and the Affiliated Companies, unless otherwise specifically provided therein in a specific reference to this Agreement.

8. Full Settlement. Except with respect to Executive's violation of Sections 10 through 14 of this Agreement, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against the Executive or others. In the event of a violation by Executive of any provision of Sections 10 through 14 of this Agreement, the Company may elect to terminate any Severance payments owed to Executive pursuant to Section 6(a)(i)(b) or 6(b)(i)(b), as of the date of such violation. Prior to exercising any such set off, counterclaim, recoupment, defense, or other claim, right or action against the Executive on the basis of a breach of Section 10 through 14, the Company shall provide Executive with thirty days advance written notice, specifying in reasonable detail the nature of the breach and providing the Executive within that thirty day period for the opportunity to cure. Upon the request of the Executive, the Executive shall be afforded the opportunity to meet with the General Counsel during such thirty day period with his legal representative.
9. Parachute Payments.
 - (a) Notwithstanding any other provisions of this Agreement to the contrary, in the event that it shall be determined that any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Payments"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall reduce (but not below zero) the aggregate present value of the Payments under the Agreement to the Reduced Amount (as defined below), if reducing the Payments under this Agreement will provide the Executive with a greater net after-tax amount than would be the case if no such reduction was made. The Payments shall be reduced as described in the preceding sentence only if (i) the net amount of the Payments, as so reduced (and after subtracting the net amount of federal, state and local income and payroll taxes on the reduced Payments), is greater than or equal to (ii) the net amount of the Payments without such reduction (but after subtracting the net amount of federal, state and local income and payroll taxes on the Payments and the amount of Excise Tax (as defined below) to which the Executive would be subject with respect to the unreduced Payments). Only amounts payable under this Agreement shall be reduced pursuant to this Section 9, and any reduction shall be made in accordance with Section 409A of the Code.
 - (b) The "Reduced Amount" shall be an amount expressed in present value that maximizes the aggregate present value of Payments under this Agreement without causing any Payment under this Agreement to be subject to the Excise Tax, determined in accordance with Section 280G(d)(4) of the Code. The term "Excise Tax" means the excise tax imposed under Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.
 - (c) All determinations to be made under this Section 9 shall be made by such certified public accounting firm as may be designated by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall

be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

10. Nondisclosure of Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information. During the Employment Period and after termination of the Executive's employment with the Company, for a five year period, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate, disclose or use any Confidential Information to or on behalf of anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.
 11. Return of Company's Property. Upon termination of employment with the Company, or at any time upon the Company's request, Executive shall promptly deliver to the Company all equipment, inventory, drawings, blueprints, manuals, letters, contracts, agreements, notes, notebook records, electronic media, reports, memoranda, formulae, all Confidential Information and all other materials relating to the Company's business, including all copies thereof, which are in the possession, custody or control of Executive.
 12. Noncompetition and Nonsolicitation. Executive acknowledges and agrees that Confidential Information and Company's goodwill, Customer and Supplier relationships are among Company's most valuable business assets. Executive further acknowledges that his or her position is one of trust, and that he or she will receive and have access to the highest levels of Confidential Information during the Employment Period. Accordingly, Executive expressly covenants and agrees that he or she will not, during the Restricted Period, directly or indirectly, for Executive's benefit or the benefit of others, whether direct or indirect, as an employee, independent contractor, owner, shareholder, partner, limited partner, or otherwise:
 - (a) own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as an officer, employee, partner, director, independent contractor or in any other similar capacity with, or have any financial interest in, any Named Company Competitor, or aid or assist any Named Company Competitor in any manner that enhances the ability of such Named Company Competitor to develop, market, sell or provide Competitive Products or Services;
 - (b) in the Territory, own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as an officer, employee, partner, director, independent contractor or in any other similar capacity with, or have any financial interest in, any Company Competitor, or aid or assist any Company Competitor in any manner that enhances the ability of such Company Competitor to develop, market, sell or provide Competitive Products or Services; provided nothing in this clause (b) shall restrict Executive from employment with a division or business unit of a Company Competitor that does not provide Competitive Products or Services, or from employment with a Company Competitor where the Executive's responsibilities and activities do not involve the development, marketing, sale or provision of Competitive Products or Services (provided further, for the avoidance of doubt, that all other terms of this Section 12 continue to apply);
 - (c) aid or assist any person or entity for the purpose of the development, marketing, sale or provision of Competitive Products or Services.
 - (d) solicit, persuade or induce any individual who is, or was at any time during the last twelve (12) months of the Executive's employment by the Company, an employee of the Company, for the purpose of engaging in the development, marketing, sale or provision of Competitive Products or Services: (i) to terminate or refrain from renewing or extending such employment by the Company, or (ii) to become employed by or enter into a contractual relationship with the Executive or any other individual, person or entity;
 - (e) solicit, persuade or induce any individual, person or entity which is, or was at any time during the last twelve (12) months of Executive's employment with the Company, a Supplier of critical
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components to the Company, including, for the avoidance of doubt, any Supplier of Crude Tall Oil, to terminate, reduce or refrain from renewing or extending such Supplier's contractual or other relationship with the Company, or otherwise materially changing such Suppliers volume, terms and conditions; or

- (f) solicit, persuade or induce any Customer or Indirect Customer: (i) to terminate, reduce or refrain from renewing, extending, or entering into contractual or other relationships with the Company with regard to the purchase of Competitive Products or Services, or (ii) to become a customer of or enter into any contractual or other business relationship with the Executive or any other individual, person or entity for the purpose of purchasing Competitive Products or Services.

Nothing in the Agreement should be read as limiting Executive from owning less than a five percent share of publicly-traded stock of any entity.

13. Inventions and Discoveries. Executive acknowledges and agrees that Executive's work product and work in process, which includes, but is not limited to, inventions, discoveries, improvements, and business, financial, or marketing concepts (hereinafter referred to as "Employee Work Products") that are conceived or made by Executive, either alone or in conjunction with others, shall be "works made for hire" under the U.S. Copyright Act, 17 U.S.C. §101, et seq., provided such Employee Work Products were (i) conceived or made in performance of Executive's duties for Company; (ii) conceived or made using information received during the course of Executive's employment with the Company, including, but not limited to, Confidential Information; (iii) used during the course of employment with the Company; and/or (iv) conceived or made using the Company's facilities and/or equipment. All such Employee Work Products are the property of the Company and all intellectual property rights thereto including, but not limited to, all patents, copyrights, trademarks, manufacturing know-how and trade secrets, shall be the exclusive property of the Company. Executive agrees to disclose promptly to the Company any and all Employee Work Products and to assign all of Executive's interest in the Employee Work Products to the Company or its designee. Whenever requested to do so by the Company, Executive shall execute, at Company's expense, any and all applications, assignments, or other documents that Company shall deem necessary to protect the Company's interest in the Employee Work Products.
 14. Non-disparagement. Executive agrees that he or she will make no unfavorable or disparaging comments, orally or in writing, regarding Company, its Affiliated Companies or their operations, policies, or procedures, and that to do so will constitute a material breach of this Agreement.
 15. Remedies. Executive acknowledges and agrees that the Company's remedy at law for a breach or threatened breach of any of the provisions of this Agreement, including but not limited to those of Sections 10-14, would be inadequate and difficult to ascertain. Therefore, in the event of a breach or threatened breach by the Executive of any of the provisions of this Agreement, it is agreed that in addition to the Company's remedy at law, the Company shall be entitled to appropriate equitable relief in the form of specific performance, preliminary or permanent injunction, temporary restraining order or any other appropriate equitable remedy which may then be available.
 16. Executive Acknowledgements
 - (a) Executive expressly acknowledges and agrees that (i) the restrictions set forth in this Agreement including, but not limited to, those of Sections 10-14, are reasonable in nature, scope and otherwise; (ii) the restrictions set forth in this Agreement including, but not limited to, those of Sections 10-14, are necessary to protect the Company's assets and legitimate business interests; and (iii) Executive's agreement to observe the restrictions set forth in this Agreement is material consideration for Executive's employment with the Company; (iii) all or a portion of the severance payable under this Agreement shall be considered reasonable compensation payable in consideration of the Executive's covenant not to compete, the precise amount to be determined in accordance with Section 9(c) hereof; and (iv) Executive's agreement to observe the restrictions set forth in this Agreement is in material consideration for the protections and valuable consideration given Executive relative to Change-in-Control and severance arrangements.
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- (b) Executive warrants and represents to the Company that Executive's capabilities and experience are such that the restrictive covenants set forth in Sections 10-14 will not prevent Executive from earning a livelihood and that Executive will be fully able to earn an adequate livelihood if any such restrictive covenants should be specifically enforced against him.

17. Reports to Regulatory and Investigative Bodies.

- (a) Trade Secrets Act. Pursuant to the federal Defend Trade Secrets Act, Executive acknowledges that he has been notified of the following: An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (A) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (i) files any document containing the trade secret under seal, and (ii) does not disclose the trade secret, except pursuant to court order.
- (b) Government Agencies. Notwithstanding any other provision in this Agreement, this Agreement does not prohibit Executive from: (1) filing a charge with or communicating with the National Labor Relations Board, the Equal Employment Opportunity Commission, or another federal, state or local government official for the purpose of reporting or investigating a suspected violation of law; or (2) communicating directly with the U.S. Securities and Exchange Commission about a possible securities law violation.

18. Successors.

- (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.
- (b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in Section 18(c), without the prior written consent of the Executive this Agreement shall not be assignable by the Company.
- (c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, with such assumption being an express condition precedent to the consummation of any such transaction. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise. The Company agrees that failure to comply with the provisions of this Section 18(c) shall present irreparable harm and that the Executive shall be entitled to seek injunctive relief on that basis, as well as to retain all legal rights to bring any other legal or equitable claims including without limitation breach of contract and tortious interference with contract claims.

19. Section 409A.

- (a) Compliance. This Agreement is intended to comply with the requirements of Section 409A of the Code, and shall in all respects be administered in accordance with Section 409A of the Code and the regulations issued thereunder. ; provided, however, that the tax treatment of benefits under this Agreement is not warranted or guaranteed Notwithstanding anything in the Agreement to the contrary, distributions may only be made under the Agreement upon a Section 409A "separation from service" or other event permitted by Section 409A, and in a manner permitted by Section

409A of the Code or an applicable exemption. For purposes of Section 409A of the Code, the right to a series of payments under the Agreement shall be treated as a right to a series of separate payments. The Executive may not, directly or indirectly designate the calendar year of a payment.

- (b) Reimbursements. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (ii) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; (iii) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit; and (iv) reimbursement shall be provided for expenses incurred during the period specified in this Agreement, or if no such period is specified, during the Executive's lifetime. If reimbursements are made with respect to outplacement services or outplacement services are provided, such reimbursements or outplacement services shall be provided in accordance with the requirements of Section 409A, including the requirement that such reimbursements be incurred or services be provided by the end of the second year after the year in which the Date of Termination occurs and all reimbursement payments be made by the end of the third year after the year in which the Date of Termination occurs.
- (c) Specified Employee. Notwithstanding any provision in this Agreement to the contrary, if the Executive is a "specified employee" of a publicly traded corporation under Section 409A on the Executive's Date of Termination and if payment of any amount under this Agreement is required to be delayed for a period of six months after separation from service pursuant to Section 409A of the Code, payment of such amount shall be delayed as required by Section 409A of the Code, and the accumulated postponed amount shall be paid in a lump sum payment within 10 days after the end of the six-month period. If the Executive dies during the postponement period prior to the payment of postponed amount, the amounts withheld on account of Section 409A of the Code shall be paid to the personal representative of the Executive's estate within 60 days after the date of Executive's death. A "specified employee" shall mean an employee who, at any time during the 12-month period ending on the identification date, is a "specified employee" under Section 409A of the Code, as determined by the Compensation Committee of the Board. The determination of "specified employees," including the number and identity of persons considered "specified employees" and the identification date, shall be made by the Compensation Committee in accordance with the provisions of Sections 416(i) and 409A of the Code and the regulations issued thereunder.

20. Recoupment. Any amounts paid to Executive hereunder shall be subject to recoupment pursuant to the terms of any recoupment policy the Company may adopt and as such policy may be from time to time amended, in any case as in effect immediately prior to the Effective Date.

21. Miscellaneous.

- (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives. The parties agree that any controversy or claim arising out of or relating to this Agreement shall be brought in courts of the State of Delaware or in the United States District Court in Delaware, and the parties hereby waive any claim or defense that such forum is inconvenient or otherwise improper.
 - (b) The provisions of Sections 10-14 of this Agreement shall survive the termination of the Executive's employment with the Company.
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- (c) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Christine Stunyo

[*****]

If to the Company:

Ingevity Corporation

4920 O'Hear Avenue

Suite 400

North Charleston, SC 29405

Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

- (d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision, and this Agreement shall be reformed, construed, and enforced as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein. If a final judicial determination is made by a court having jurisdiction that the time or scope of any provision in this Agreement is unreasonable or otherwise unenforceable, such provision shall not be rendered void but shall be deemed amended to apply to the maximum extent the court determines enforceable.
- (e) The Company may withhold from any amounts payable under this Agreement such U.S. federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.
- (f) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(iv) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.
- (g) The terms of this Agreement, upon its execution, supersede any other agreement between the parties with respect to the subject matter hereof, including, without limitation the Severance and Change of Control Agreement, dated as of January 5, 2021 between the Executive and the Company. The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will", subject in full to the obligations of the Company under Section 6 and set forth elsewhere herein.
- (h) In the event of a conflict between the terms of this Agreement and the terms of any individual grant relating to incentive compensation (cash or equity), the terms of this Agreement, representing the decision of the Compensation Committee, shall govern.
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IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first set forth below.

INGEVITY CORPORATION

EXECUTIVE

By /s/ John C. Fortson

Name: John C. Fortson

Title: President and Chief Executive Officer

/s/ Christine Stunyo

Name: Christine Stunyo

Dated as of May 1, 2022

EXHIBIT A**RELEASE**

In consideration of the severance benefits offered to me by Ingevity Corporation (the "Company") under the Severance and Change of Control Agreement dated as of _____ (the "Agreement") and other consideration, I on behalf of myself, and on behalf of my heirs, administrators, representatives, successors, and assigns (the "Releasors"), hereby release acquit and forever discharge the Company, all of its past, present and future subsidiaries and affiliates and all of their respective directors, officers, employees, agents, trustees, partners, shareholders, consultants, independent contractors and representatives, all of their respective heirs, successors, and assigns and all persons acting by, through, under or in concert with them (the "Releasees") from any and all claims, charges, complaints, obligations, promises, agreements, controversies, damages, remedies, demands, actions, causes of action, suits, rights, costs, debts, expenses and liabilities that the Releasors might otherwise have asserted arising out of my employment with the Company and its subsidiaries and affiliates, including the termination of that employment.

However, the Releasors are not releasing any rights under (i) any qualified employee retirement plan; (ii) any claim for compensation and benefits to be provided to me under the Agreement; (ii) any claim for vested benefits or benefits that I am otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of the Affiliated Companies at or subsequent to the Date of Termination; (iii) any claim related to my indemnification as an officer, director and employee of the Affiliated Companies under the Company's Certificate of Incorporation or By-Laws; or (iv) any rights or claims that may arise after the date on which I sign this release (the "Release"). Those rights shall survive unaffected by this Release.

I understand that, as a consequence of my signing this Release, I am giving up, any and all rights I might otherwise have with respect to my employment and the termination of that employment including but not limited to rights under (1) the Age Discrimination in Employment Act of 1967, as amended; (2) any and all other federal, state, or municipal laws prohibiting discrimination in employment on the basis of sex, race, national origin, religion, age, handicap, or other invidious factor, or retaliation; and (3) any and all theories of contract or tort law related to my employment or termination thereof, whether based on common law or otherwise.

I acknowledge and agree that:

A. The benefits I am receiving under the Agreement constitute consideration over and above any benefits that I might be entitled to receive without executing this Release.

B. The Company advised me in writing to consult with an attorney prior to signing this Release.

C. I was given a period of at least twenty-one (21) days within which to consider this Release; and

D. The Company has advised me of my statutory right to revoke my agreement to this Release at any time within seven (7) days of my signing this Release by delivering written notice of such revocation to Ingevity Corporation, Attn: General Counsel, 4920 O'Hear Avenue, Suite 400, North Charleston, SC 29405, and this Release shall be come final and binding if no such notice of revocation is received by the Company within such seven (7) day period.

I warrant and represent that my decision to sign this Release was (1) entirely voluntary on my part; (2) not made in reliance on any inducement, promise, or representation, whether express or implied, other than the inducements, representations, and promises expressly set forth herein and in the Agreement and (3) did not result from any threats or other coercive activities to induce my agreement to this Release.

If I exercise my right to revoke this Release within seven (7) days of my execution of this Release, I warrant and represent that I will: (1) notify the Company in writing, in accordance with the attached Agreement, of my revocation of this Release, and (2) simultaneously return in full any consideration received from the Company or any employee benefit plan sponsored by the Company.

The parties agree that this release shall not affect the rights and responsibilities of the US Equal Employment Opportunity Commission (hereinafter "EEOC") to enforce the Age Discrimination in Employment Act

of 1967, as amended and other laws. In addition, the parties agree that this release shall not be used to justify interfering with my protected right to file a charge or participate in an investigation or proceeding conducted by the EEOC. The parties further agree that the Releasors knowingly and voluntarily waive all rights or claims that arose prior to the date hereof that the Releasors may have against the Releasees to receive any benefit or remedial relief (including, but not limited to, reinstatement, back pay, front pay, damages, attorneys' fees, experts' fees) as a consequence of any investigation or proceeding conducted by the EEOC.

The provisions of this Release are severable, and if any part of it is found to be unenforceable, the other paragraphs shall remain fully valid and enforceable. This Release shall be construed in accordance with its fair meaning and in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles. Capitalized terms used but not defined herein shall have the meanings set forth in the Severance and Change of Control Agreement. I further warrant and represent that I fully understand and appreciate the consequences of my signing this Release. Notwithstanding any other provision in this Release, the parties agree that this Release does not prohibit me from: (1) filing a charge with or communicating with the National Labor Relations Board, the Equal Employment Opportunity Commission, or another federal, state or local government official for the purpose of reporting or investigating a suspected violation of law; or (2) communicating directly with the U.S. Securities and Exchange Commission about a possible securities law violation.

[Signature Block]

EXHIBIT B

NAMED COMPANY COMPETITORS

“Named Company Competitor” means [*****]

EXHIBIT C

TERRITORY

“Territory” means [*****]

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) IS THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL. SUCH EXCLUDED INFORMATION IS DENOTED BY ASTERISKS IN BRACKETS [***].**

AMENDED AND RESTATED SEVERANCE AND CHANGE OF CONTROL AGREEMENT

THIS AMENDED AND RESTATED SEVERANCE AND CHANGE OF CONTROL AGREEMENT (the “Agreement”) by and between Ingevity Corporation, a Delaware corporation (together with its Affiliated Companies, as hereafter defined, being the “Company”), and Erik Ripple (the “Executive”) is dated as of the date set forth under the Company’s signature.

RECITALS

WHEREAS, the Board of Directors of the Company (the “Board”) has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication and objectivity of the Executive, to provide the Executive with an incentive to continue his or her employment, and to motivate the Executive to achieve and exceed performance goals. The Board also believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by certain involuntary terminations of employment absent Cause (as defined below), to encourage the Executive’s full attention and dedication to the Company currently, and to provide the Executive with compensation and benefits arrangements that are competitive with those of other corporations. In addition, the success of the Company’s business depends in part on the preservation of its confidential information, trade secrets and goodwill in the markets in which it competes. The Board and Executive have agreed to certain reasonable restrictions on Executive’s post-employment activities to protect these legitimate business interests. Therefore, in order to accomplish these objectives, the Board caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

1. **Change of Control.** For the purpose of this Agreement, a “Change of Control” shall mean:

- (a) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then-outstanding shares of Common Stock (the “Outstanding Company Common Stock”) or (ii) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); excluding, however, the following: (A) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted itself was acquired directly from the Company, (B) any repurchase by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (D) any acquisition pursuant to a transaction that complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 1(a); or
- (b) Individuals who, as of the date hereof, constitute the Board (such Board shall be hereinafter referred to as the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that, for purposes of this Section 1(b), any individual who becomes a member of the Board subsequent to the date hereof, whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; provided, further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by

or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

- (c) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”); excluding, however, such a Business Combination pursuant to which (i) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of, respectively, the outstanding shares of common stock, and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) will beneficially own, directly or indirectly, 30% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership derives from ownership of a 30% or more interest in the Outstanding Company Common Stock and/or Outstanding Company Voting Securities that existed prior to the Business Combination, and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Business Combination; or
- (d) The approval by stockholders of a complete liquidation or dissolution of the Company.

2. Certain Other Definitions.

- (a) “Affiliated Companies” or “Affiliated Company” shall include any company controlled by, controlling or under common control with the Company.
 - (b) The “Change of Control Period” means the period commencing on the Effective Date and ending on the second anniversary of such date. The Change of Control Period shall terminate upon the termination of the Executive’s employment for any reason.
 - (c) “Competitive Product or Service” means any product or service that is substantially the same as or similar to any product or service sold or provided by Company during the “Restricted Period” (as defined below) and/or any product or service meant to accomplish the same or a similar purpose as, and/or to serve as a substitute for, products or services sold or provided by Company during the Term.
 - (d) “Company Competitor” means any business providing a Competitive Product or Service, and for the avoidance of doubt, includes the Named Company Competitors set forth on Exhibit B to this Agreement.
 - (e) “Confidential Information” means information relating to the Company or any of the Affiliated Companies, which has value to the Company or its Affiliated Companies and is not generally available to the public. This includes, but is not limited to, Customer lists, Company know-how, designs, formulae, processes, devices, machines, business contracts, financial data, inventions, research or development projects, plans for future development, materials of a business nature including marketing information, strategies and concepts, and pricing strategies.
 - (f) “Customer” means any person or entity that is a customer of Company as of the Termination Date (i.e, has an ongoing business relationship as of that date, whether or not there are then current outstanding commitments). Customer shall also include any prospective customer whose business
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you have actively been seeking on behalf of the Company within the six months prior to your Termination Date.

- (g) The “Effective Date” shall mean the first date during the Employment Period on which a Change of Control occurs.
 - (h) The “Employment Period” shall mean the period commencing on the date hereof and ending on the third anniversary of the date hereof, as subsequently extended as described below. The Employment Period shall be automatically extended for successive one-year periods unless the Company notifies the Executive in writing, at least six months prior to the end of the then current term that the Employment Period will not be extended. The Employment Period shall further be automatically extended immediately prior to any Change in Control such that the Employment Period (and this Agreement) shall be in effect throughout the entire Change in Control Period.
 - (i) “Indirect Customer” means any person or entity to whom Ingevity’s direct Customer supplies product that incorporates the Company’s products. In the case of the Company’s automotive carbon business, Indirect Customer includes the automobile manufacturers and any business that supplies product to an automobile manufacturer that includes the Company’s products.
 - (j) “Named Company Competitors” means those companies identified as such on Exhibit B.
 - (k) “Peer Executives” shall mean, at any given time, the other persons employed by the Company or any of the Affiliated Companies who were, immediately before the Effective Date, party to agreements with the Company substantially in the form of this Agreement.
 - (l) “Separation from Service” shall mean a separation from service as defined in Treasury Regulation Section 1.409A-1(h).
 - (m) “Supplier” means any supplier or vendor of any product or service to Company that Company, in turn, provides to or procures for any Customer.
 - (n) “Relevant Time” shall mean immediately before the Effective Date.
 - (o) “Restricted Period” means the Employment Period, including any extension or renewal thereof, plus a period of twelve (12) months following termination of Executive’s employment with Company for any reason. In the event Executive is found by a Court of competent jurisdiction to have violated any of the provisions of Sections 10-14 of this Agreement, the Restricted Period shall be extended by any such period of non-compliance.
 - (p) “Territory” means the territory set forth in Exhibit C to this Agreement.
3. Employment Term: The Company hereby agrees to continue the Executive in its employ, subject to the terms and conditions of this Agreement, for the Employment Period.
4. Terms of Employment.
- (a) Position and Duties.
 - i. During the Change of Control Period, there shall be no material reduction in any of the Executive’s position, authority, duties, responsibilities or salary grade as compared to those held, exercised and assigned to the Executive at the Relevant Time. Notwithstanding the foregoing, a change in title by itself shall not be a violation of this Section 4(a)(i); provided that the Executive continues to have responsibilities and authority that are, in the aggregate and in all material respects, comparable to those held by the Executive at the Relevant Time.
 - ii. During the Change of Control Period, the Executive’s services shall be performed at the location where the Executive was employed immediately preceding the Effective Date, or at any other location that does not result in the Executive’s commuting distance from the Executive’s residence being increased by more than 30 miles; provided, that if the Executive voluntarily changes his or her residence after the Effective Date, then a new
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work location shall not be considered to have increased the Executive's commuting distance by more than 30 miles unless such an increase both (1) occurs in relation to the Executive's new residence; and (2) would have occurred even if the Executive had not changed his or her residence.

- iii. During the Change of Control Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable good faith efforts to perform such responsibilities consistent with his or her past practice. During the Change of Control or Employment Periods it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees; (B) deliver lectures, fulfill speaking engagements or teach at educational institutions; or (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such other activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation.

- i. Base Salary. During the Change of Control Period, the Executive shall receive an annual base salary ("Annual Base Salary") which shall be not less than the Executive's annual base salary from the Company and the Affiliated Companies as in effect immediately before the Effective Date. Any increase in Annual Base Salary during the Change of Control Period shall not serve to limit or reduce any other obligation to the Executive under this Agreement, and the Annual Base Salary shall not be reduced during the Change of Control Period.
 - ii. Incentive Compensation Opportunities. In addition to the Annual Base Salary, the Executive shall be granted, during the Change of Control Period, cash-based and equity-based awards representing the opportunity to earn incentive compensation on terms and conditions no less favorable to the Executive, in the aggregate, than those provided generally at any time after the Effective Date to the Peer Executives or, if more favorable to the Executive, than those provided by the Company and the Affiliated Companies for the Executive at the Relevant Time. In determining whether the Executive's incentive compensation opportunities during the Change of Control Period meet the requirements of the preceding sentence, there shall be taken into account all relevant terms and conditions, including, without limitation and to the extent applicable, the potential value of such awards at minimum, target and maximum performance levels, and the difficulty of achieving the applicable performance goals.
 - iii. Savings and Retirement Plans. During the Change of Control Period, the Executive shall be entitled to participate in all savings and retirement plans, practices, policies and programs applicable generally to the Peer Executives, on comparable terms and conditions, but in no event shall such plans, practices, policies and programs provide the Executive with retirement or savings opportunities, in each case, less favorable, in the aggregate, to the Executive than those provided by the Company and the Affiliated Companies to the Executive at the Relevant Time.
 - iv. Welfare Benefit Plans. During the Change of Control Period, the Executive and/or the Executive's family, as the case maybe, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and the Affiliated Companies (including, without limitation, medical,
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prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) (collectively, “Welfare Benefits”) to the extent applicable generally to the Peer Executives, on comparable terms and conditions, but in no event shall such Welfare Benefits for the Executive be substantially less favorable, in the aggregate, to the Executive than the Welfare Benefits provided by the Company and the Affiliated Companies to the Executive at the Relevant Time.

5. Termination of Employment.

- (a) Cause. The Company may terminate the Executive’s employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, “Cause” shall mean:
- i. the willful or gross neglect by the Executive to perform his or her employment duties with the Company or one of its Affiliated Companies in any material respect; or
 - ii. the plea of guilty or nolo contendere to, or conviction for, the commission of a felony offense by the Executive; or
 - iii. a material breach by the Executive of a fiduciary duty owed to the Company or one of its Affiliated Companies; or
 - iv. a material breach by the Executive of any nondisclosure, non-solicitation or non-competition obligation owed to the Company or any of its Affiliated Companies; or
 - v. a clearly established, willful and material violation by the Executive of the Company’s Code of Conduct; or
 - vi. a willful and material act by the Executive that represents a gross breach of trust that is inconsistent with the Executive’s position of authority with the Company and is materially and demonstrably injurious to the Company including through potential loss of reputation.

Prior to a termination for Cause, except in the case of a termination for (a)(ii) or in the case of a matter where there can be no reasonable opportunity to cure, the Executive shall be given notice and an opportunity to effectuate a cure as determined by the Company in its reasonable discretion.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered “willful” unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive’s action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

- (b) Good Reason. The Executive’s employment may be terminated by the Executive for Good Reason but only after a Change of Control during the Change of Control Period. Good Reason shall mean:
- i. A material diminution in the Executive’s Annual Base Salary;
 - ii. A material diminution in the Executive’s authority, duties, or responsibilities (other than as permitted by Section 4(a)(i) hereof);
 - iii. A material change in the geographic location at which the Executive must perform services for the Company in violation of Section 4(a)(ii) hereof; or
 - iv. Any other action or inaction that constitutes a material breach by the Company of this Agreement
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- (c) Notice of Termination; Opportunity to Cure. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 20(c) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon; (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) specifies the Date of Termination (as defined below). If the Executive is terminating employment for Good Reason: (i) the Executive shall give the Company the Notice of Termination within 60 days following the event giving rise to the Executive's Good Reason termination; and (ii) the Company shall have a period of 30 days after receiving the Notice of Termination to remedy the action or inaction on which Good Reason is based. If the Company fails to remedy the action or inaction on which Good Reason is based within such 30-day period, the Executive may terminate his or her or her employment for Good Reason within 30 days after the end of the cure period.
- (d) Date of Termination. "Date of Termination" means if the Executive's employment is terminated by the Company or by the Executive, the date of receipt of the Notice of Termination or any date within 30 days thereafter that is specified in the Notice of Termination.

6. Obligations of the Company upon Termination.

- (a) Involuntary Termination of Employment, other than for Cause, absent a Change of Control. If the Company terminates the Executive's employment other than for Cause prior to a Change of Control:
- i. The Company shall pay to the Executive (in the form and at the times described below) the following:
 - a. Within five days of the Date of Termination, a single lump sum of: (1) the Executive's then current unpaid and outstanding Annual Base Salary through the Date of Termination; (2) the Executive's annual incentive assuming target performance for the calendar year in which the Date of Termination occurs (the "Target Incentive") prorated by multiplying such Target Incentive by a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365; plus (3) any accrued unpaid vacation pay, and
 - b. A severance payment equal to one (1) times the sum of (x) the Executive's then current base salary and (y) the Executive's Target Incentive, payable monthly over a one (1)-year period.
 - ii. The Company shall also pay the Executive a lump sum cash payment within five days following the Executive's Date of Termination equal to the cost of health coverage for one (1) year, based on the monthly COBRA cost of such coverage under the Company's health plan pursuant to Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code") on the Date of Termination.
 - iii. The Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be reasonable and consistent with industry practice for similarly situated executives and consistent with Section 19(b) of this Agreement.
 - iv. To the extent not already paid or provided, the Company shall timely pay or provide the Executive with any other benefits in accordance with the terms of the applicable plans.
- (b) Involuntary Termination of Employment, other than for Cause, or Good Reason Termination, following a Change of Control. If during the Change of Control Period, the Company shall

terminate the Executive's employment other than for Cause, or the Executive shall terminate employment for Good Reason:

- i. The Company shall pay to the Executive (in the form and at the times described below) the following:
 - a. Within five days of the Date of Termination a single lump sum of: (1) the Executive's then current unpaid and outstanding Annual Base Salary through the Date of Termination; (2) the Executive's annual incentive assuming target performance for the calendar year in which the Date of Termination occurs (the "Target Incentive") prorated by multiplying such Target Incentive by a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365; plus (3) any unpaid accrued vacation pay, and
 - b. Within five days of the Date of Termination (unless otherwise prohibited by Section 19 (c)), a Severance payment equal to two (2) times the sum of (x) the Executive's Annual Base Salary and (y) the Executive's Target Incentive, payable in a single lump sum.
- ii. The Company shall also pay the Executive a lump sum cash payment within five days following the Executive's Date of Termination equal to the cost of health coverage for two (2) years, based on the monthly COBRA cost of such coverage under the Company's health plan pursuant to Section 4980B of the Code on the Date of Termination.
- iii. The Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be reasonable and consistent with industry practice for similarly situated executives and consistent with Section 19(b) of this Agreement.
- iv. The Company shall timely pay or deliver to the Executive any vested incentive compensation (equity and/or cash) in accordance with the terms of the Company's 2016 Omnibus Incentive Plan (or a successor plan, as applicable) and the terms and conditions of the applicable award agreements thereunder, as approved by the Leadership Development and Compensation Committee of the Board of Directors (the "Compensation Committee"), provided however, that with respect to any restricted stock unit award, the Executive shall become fully vested in such award and that with respect to any performance based award (equity and/or cash), the performance goals attached to such award shall be deemed achieved at the greater of target or actual performance levels (if such actual performance is determinable by the Compensation Committee) with no proration.
- v. To the extent not already paid or provided, the Company shall timely pay or provide the Executive with any other benefits in accordance with the terms of the applicable plans.

Notwithstanding the foregoing, except with respect to payments and benefits under Sections 6(a)(i)(a)(1), 6(a)(i)(a)(3), 6(b)(i)(a)(1) and 6(b)(i)(a)(3), all payments and benefits to be provided under this Section 6(a) shall be subject to the Executive's execution and non-revocation of a release substantially in the form attached hereto as Exhibit A. To the extent required by Section 409A of the Code, if payments and benefits subject to a release could be paid in two taxable years pursuant to the terms of this Section 6(a), such payments and benefits shall be paid in the later taxable year.

- (c) Cause: Other than for Good Reason. If the Executive's employment is terminated for Cause during the Employment Period, the Company shall provide to the Executive the Executive's then current and outstanding base salary through the Date of Termination, and any other vested benefits
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payable under applicable plans, and shall have no other obligations under this Severance and Change of Control Agreement.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of the Affiliated Companies and for which the Executive may qualify, nor, subject to Section 21(g), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of the Affiliated Companies. Amounts that are vested benefits or that the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of the Affiliated Companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement. Notwithstanding the foregoing, if the Executive receives the payments and benefits pursuant to Section 6(a) or 6(b) of this Agreement, the Executive shall not be entitled to any severance pay or benefits under any severance plan, program or policy of the Company and the Affiliated Companies, unless otherwise specifically provided therein in a specific reference to this Agreement.
 8. Full Settlement. Except with respect to Executive's violation of Sections 10 through 14 of this Agreement, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against the Executive or others. In the event of a violation by Executive of any provision of Sections 10 through 14 of this Agreement, the Company may elect to terminate any Severance payments owed to Executive pursuant to Section 6(a)(i)(b) or 6(b)(i)(b), as of the date of such violation. Prior to exercising any such set off, counterclaim, recoupment, defense, or other claim, right or action against the Executive on the basis of a breach of Section 10 through 14, the Company shall provide Executive with thirty days advance written notice, specifying in reasonable detail the nature of the breach and providing the Executive within that thirty day period for the opportunity to cure. Upon the request of the Executive, the Executive shall be afforded the opportunity to meet with the General Counsel during such thirty-day period with his legal representative.
 9. Parachute Payments.
 - (a) Notwithstanding any other provisions of this Agreement to the contrary, in the event that it shall be determined that any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Payments"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company shall reduce (but not below zero) the aggregate present value of the Payments under the Agreement to the Reduced Amount (as defined below), if reducing the Payments under this Agreement will provide the Executive with a greater net after-tax amount than would be the case if no such reduction was made. The Payments shall be reduced as described in the preceding sentence only if (i) the net amount of the Payments, as so reduced (and after subtracting the net amount of federal, state and local income and payroll taxes on the reduced Payments), is greater than or equal to (ii) the net amount of the Payments without such reduction (but after subtracting the net amount of federal, state and local income and payroll taxes on the Payments and the amount of Excise Tax (as defined below) to which the Executive would be subject with respect to the unreduced Payments). Only amounts payable under this Agreement shall be reduced pursuant to this Section 9, and any reduction shall be made in accordance with Section 409A of the Code.
 - (b) The "Reduced Amount" shall be an amount expressed in present value that maximizes the aggregate present value of Payments under this Agreement without causing any Payment under this Agreement to be subject to the Excise Tax, determined in accordance with Section 280G(d)(4) of the Code. The term "Excise Tax" means the excise tax imposed under Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.
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- (c) All determinations to be made under this Section 9 shall be made by such certified public accounting firm as may be designated by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.
10. Nondisclosure of Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all Confidential Information. During the Employment Period and after termination of the Executive's employment with the Company, for a five year period, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate, disclose or use any Confidential Information to or on behalf of anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.
11. Return of Company's Property. Upon termination of employment with the Company, or at any time upon the Company's request, Executive shall promptly deliver to the Company all equipment, inventory, drawings, blueprints, manuals, letters, contracts, agreements, notes, notebook records, electronic media, reports, memoranda, formulae, all Confidential Information and all other materials relating to the Company's business, including all copies thereof, which are in the possession, custody or control of Executive.
12. Noncompetition and Nonsolicitation. Executive acknowledges and agrees that Confidential Information and Company's goodwill, Customer and Supplier relationships are among Company's most valuable business assets. Executive further acknowledges that his or her position is one of trust, and that he or she will receive and have access to the highest levels of Confidential Information during the Employment Period. Accordingly, Executive expressly covenants and agrees that he or she will not, during the Restricted Period, directly or indirectly, for Executive's benefit or the benefit of others, whether direct or indirect, as an employee, independent contractor, owner, shareholder, partner, limited partner, or otherwise:
- (a) own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as an officer, employee, partner, director, independent contractor or in any other similar capacity with, or have any financial interest in, any Named Company Competitor, or aid or assist any Named Company Competitor in any manner that enhances the ability of such Named Company Competitor to develop, market, sell or provide Competitive Products or Services;
 - (b) in the Territory, own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as an officer, employee, partner, director, independent contractor or in any other similar capacity with, or have any financial interest in, any Company Competitor, or aid or assist any Company Competitor in any manner that enhances the ability of such Company Competitor to develop, market, sell or provide Competitive Products or Services; provided nothing in this clause (b) shall restrict Executive from employment with a division or business unit of a Company Competitor that does not provide Competitive Products or Services, or from employment with a Company Competitor where the Executive's responsibilities and activities do not involve the development, marketing, sale or provision of Competitive Products or Services (provided further, for the avoidance of doubt, that all other terms of this Section 12 continue to apply);
 - (c) aid or assist any person or entity for the purpose of the development, marketing, sale or provision of Competitive Products or Services;
 - (d) solicit, persuade or induce any individual who is, or was at any time during the last twelve (12) months of the Executive's employment by the Company, an employee of the Company, for the purpose of engaging in the development, marketing, sale or provision of Competitive Products or
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Services: (i) to terminate or refrain from renewing or extending such employment by the Company, or (ii) to become employed by or enter into a contractual relationship with the Executive or any other individual, person or entity;

- (e) solicit, persuade or induce any individual, person or entity which is, or was at any time during the last twelve (12) months of Executive's employment with the Company, a Supplier of critical components to the Company, including, for the avoidance of doubt, any Supplier of Crude Tall Oil, to terminate, reduce or refrain from renewing or extending such Supplier's contractual or other relationship with the Company, or otherwise materially changing such Suppliers volume, terms and conditions; or
- (f) solicit, persuade or induce any Customer or Indirect Customer: (i) to terminate, reduce or refrain from renewing, extending, or entering into contractual or other relationships with the Company with regard to the purchase of Competitive Products or Services, or (ii) to become a customer of or enter into any contractual or other business relationship with the Executive or any other individual, person or entity for the purpose of purchasing Competitive Products or Services.

Nothing in the Agreement should be read as limiting Executive from owning less than a five percent share of publicly-traded stock of any entity.

13. Inventions and Discoveries. Executive acknowledges and agrees that Executive's work product and work in process, which includes, but is not limited to, inventions, discoveries, improvements, and business, financial, or marketing concepts (hereinafter referred to as "Employee Work Products") that are conceived or made by Executive, either alone or in conjunction with others, shall be "works made for hire" under the U.S. Copyright Act, 17 U.S.C. §101, et seq., provided such Employee Work Products were (i) conceived or made in performance of Executive's duties for Company; (ii) conceived or made using information received during the course of Executive's employment with the Company, including, but not limited to, Confidential Information; (iii) used during the course of employment with the Company; and/or (iv) conceived or made using the Company's facilities and/or equipment. All such Employee Work Products are the property of the Company and all intellectual property rights thereto including, but not limited to, all patents, copyrights, trademarks, manufacturing know-how and trade secrets, shall be the exclusive property of the Company. Executive agrees to disclose promptly to the Company any and all Employee Work Products and to assign all of Executive's interest in the Employee Work Products to the Company or its designee. Whenever requested to do so by the Company, Executive shall execute, at Company's expense, any and all applications, assignments, or other documents that Company shall deem necessary to protect the Company's interest in the Employee Work Products.
14. Non-disparagement. Executive agrees that he or she will make no unfavorable or disparaging comments, orally or in writing, regarding Company, its Affiliated Companies or their operations, policies, or procedures, and that to do so will constitute a material breach of this Agreement.
15. Remedies. Executive acknowledges and agrees that the Company's remedy at law for a breach or threatened breach of any of the provisions of this Agreement, including but not limited to those of Sections 10-14, would be inadequate and difficult to ascertain. Therefore, in the event of a breach or threatened breach by the Executive of any of the provisions of this Agreement, it is agreed that in addition to the Company's remedy at law, the Company shall be entitled to appropriate equitable relief in the form of specific performance, preliminary or permanent injunction, temporary restraining order or any other appropriate equitable remedy which may then be available.
16. Executive Acknowledgements
 - (a) Executive expressly acknowledges and agrees that (i) the restrictions set forth in this Agreement including, but not limited to, those of Sections 10-14, are reasonable in nature, scope and otherwise; (ii) the restrictions set forth in this Agreement including, but not limited to, those of Sections 10-14, are necessary to protect the Company's assets and legitimate business interests; and (iii) Executive's agreement to observe the restrictions set forth in this Agreement is material consideration for Executive's employment with the Company; (iii) all or a portion of the severance

payable under this Agreement shall be considered reasonable compensation payable in consideration of the Executive's covenant not to compete, the precise amount to be determined in accordance with Section 9(c) hereof; and (iv) Executive's agreement to observe the restrictions set forth in this Agreement is in material consideration for the protections and valuable consideration given Executive relative to Change-in-Control and severance arrangements.

- (b) Executive warrants and represents to the Company that Executive's capabilities and experience are such that the restrictive covenants set forth in Sections 10-14 will not prevent Executive from earning a livelihood and that Executive will be fully able to earn an adequate livelihood if any such restrictive covenants should be specifically enforced against him.

17. Reports to Regulatory and Investigative Bodies.

- (a) Trade Secrets Act. Pursuant to the federal Defend Trade Secrets Act, Executive acknowledges that he has been notified of the following: An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (A) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (i) files any document containing the trade secret under seal, and (ii) does not disclose the trade secret, except pursuant to court order.
- (b) Government Agencies. Notwithstanding any other provision in this Agreement, this Agreement does not prohibit Executive from: (1) filing a charge with or communicating with the National Labor Relations Board, the Equal Employment Opportunity Commission, or another federal, state or local government official for the purpose of reporting or investigating a suspected violation of law; or (2) communicating directly with the U.S. Securities and Exchange Commission about a possible securities law violation.

18. Successors.

- (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.
- (b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in Section 18(c), without the prior written consent of the Executive this Agreement shall not be assignable by the Company.
- (c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, with such assumption being an express condition precedent to the consummation of any such transaction. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise. The Company agrees that failure to comply with the provisions of this Section 18(c) shall present irreparable harm and that the Executive shall be entitled to seek injunctive relief on that basis, as well as to retain all legal rights to bring any other legal or equitable claims including without limitation breach of contract and tortious interference with contract claims.

19. Section 409A.

- (a) Compliance. This Agreement is intended to comply with the requirements of Section 409A of the Code, and shall in all respects be administered in accordance with Section 409A of the Code and the regulations issued thereunder. ; provided, however, that the tax treatment of benefits under this Agreement is not warranted or guaranteed Notwithstanding anything in the Agreement to the contrary, distributions may only be made under the Agreement upon a Section 409A “separation from service” or other event permitted by Section 409A, and in a manner permitted by Section 409A of the Code or an applicable exemption. For purposes of Section 409A of the Code, the right to a series of payments under the Agreement shall be treated as a right to a series of separate payments. The Executive may not, directly or indirectly designate the calendar year of a payment.
 - (b) Reimbursements. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (ii) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; (iii) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit; and (iv) reimbursement shall be provided for expenses incurred during the period specified in this Agreement, or if no such period is specified, during the Executive’s lifetime. If reimbursements are made with respect to outplacement services or outplacement services are provided, such reimbursements or outplacement services shall be provided in accordance with the requirements of Section 409A, including the requirement that such reimbursements be incurred or services be provided by the end of the second year after the year in which the Date of Termination occurs and all reimbursement payments be made by the end of the third year after the year in which the Date of Termination occurs.
 - (c) Specified Employee. Notwithstanding any provision in this Agreement to the contrary, if the Executive is a “specified employee” of a publicly traded corporation under Section 409A on the Executive’s Date of Termination and if payment of any amount under this Agreement is required to be delayed for a period of six months after separation from service pursuant to Section 409A of the Code, payment of such amount shall be delayed as required by Section 409A of the Code, and the accumulated postponed amount shall be paid in a lump sum payment within 10 days after the end of the six-month period. If the Executive dies during the postponement period prior to the payment of postponed amount, the amounts withheld on account of Section 409A of the Code shall be paid to the personal representative of the Executive’s estate within 60 days after the date of Executive’s death. A “specified employee” shall mean an employee who, at any time during the 12-month period ending on the identification date, is a “specified employee” under Section 409A of the Code, as determined by the Compensation Committee of the Board. The determination of “specified employees,” including the number and identity of persons considered “specified employees” and the identification date, shall be made by the Compensation Committee in accordance with the provisions of Sections 416(i) and 409A of the Code and the regulations issued thereunder.
20. Recoupment. Any amounts paid to Executive hereunder shall be subject to recoupment pursuant to the terms of any recoupment policy the Company may adopt and as such policy may be from time to time amended, in any case as in effect immediately prior to the Effective Date.
21. Miscellaneous.
- (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives The parties agree that any controversy or claim arising out of or relating to this Agreement shall be brought in courts of the State of Delaware or in

the United States District Court in Delaware, and the parties hereby waive any claim or defense that such forum is inconvenient or otherwise improper.

- (b) The provisions of Sections 10-14 of this Agreement shall survive the termination of the Executive's employment with the Company.
- (c) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Erik Ripple
[*****]

If to the Company:

Ingevity Corporation
4920 O'Hear Avenue
Suite 400
North Charleston, SC 29405
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

- (d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule, such invalidity, illegality or unenforceability shall not affect any other provision or portion of any provision, and this Agreement shall be reformed, construed, and enforced as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein. If a final judicial determination is made by a court having jurisdiction that the time or scope of any provision in this Agreement is unreasonable or otherwise unenforceable, such provision shall not be rendered void but shall be deemed amended to apply to the maximum extent the court determines enforceable.
 - (e) The Company may withhold from any amounts payable under this Agreement such U.S. federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.
 - (f) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(iv) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.
 - (g) The terms of this Agreement, upon its execution, supersede any other agreement between the parties with respect to the subject matter hereof, including, without limitation the Severance and Change of Control Agreement, dated as of October 21, 2020 between the Executive and the Company. The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will", subject in full to the obligations of the Company under Section 6 and set forth elsewhere herein.
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- (h) In the event of a conflict between the terms of this Agreement and the terms of any individual grant relating to incentive compensation (cash or equity), the terms of this Agreement, representing the decision of the Compensation Committee, shall govern.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first set forth below.

INGEVITY CORPORATION

EXECUTIVE

By /s/ John C. Fortson

Name: John C. Fortson

Title: President and Chief Executive Officer

/s/ Erik Ripple

Name: Erik Ripple

Dated as of February 14, 2022

EXHIBIT A**RELEASE**

In consideration of the severance benefits offered to me by Ingevity Corporation (the "Company") under the Severance and Change of Control Agreement dated as of _____ (the "Agreement") and other consideration, I on behalf of myself, and on behalf of my heirs, administrators, representatives, successors, and assigns (the "Releasers"), hereby release acquit and forever discharge the Company, all of its past, present and future subsidiaries and affiliates and all of their respective directors, officers, employees, agents, trustees, partners, shareholders, consultants, independent contractors and representatives, all of their respective heirs, successors, and assigns and all persons acting by, through, under or in concert with them (the "Releasees") from any and all claims, charges, complaints, obligations, promises, agreements, controversies, damages, remedies, demands, actions, causes of action, suits, rights, costs, debts, expenses and liabilities that the Releasers might otherwise have asserted arising out of my employment with the Company and its subsidiaries and affiliates, including the termination of that employment.

However, the Releasers are not releasing any rights under (i) any qualified employee retirement plan; (ii) any claim for compensation and benefits to be provided to me under the Agreement; (iii) any claim for vested benefits or benefits that I am otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of the Affiliated Companies at or subsequent to the Date of Termination; (iv) any claim related to my indemnification as an officer, director and employee of the Affiliated Companies under the Company's Certificate of Incorporation or By-Laws; or (v) any rights or claims that may arise after the date on which I sign this release (the "Release"). Those rights shall survive unaffected by this Release.

I understand that, as a consequence of my signing this Release, I am giving up, any and all rights I might otherwise have with respect to my employment and the termination of that employment including but not limited to rights under (1) the Age Discrimination in Employment Act of 1967, as amended; (2) any and all other federal, state, or municipal laws prohibiting discrimination in employment on the basis of sex, race, national origin, religion, age, handicap, or other invidious factor, or retaliation; and (3) any and all theories of contract or tort law related to my employment or termination thereof, whether based on common law or otherwise.

I acknowledge and agree that:

A. The benefits I am receiving under the Agreement constitute consideration over and above any benefits that I might be entitled to receive without executing this Release.

B. The Company advised me in writing to consult with an attorney prior to signing this Release.

C. I was given a period of at least twenty-one (21) days within which to consider this Release; and

D. The Company has advised me of my statutory right to revoke my agreement to this Release at any time within seven (7) days of my signing this Release by delivering written notice of such revocation to Ingevity Corporation, Attn: General Counsel, 4920 O'Hear Avenue, Suite 400, North Charleston, SC 29405, and this Release shall be come final and binding if no such notice of revocation is received by the Company within such seven (7) day period.

I warrant and represent that my decision to sign this Release was (1) entirely voluntary on my part; (2) not made in reliance on any inducement, promise, or representation, whether express or implied, other than the inducements, representations, and promises expressly set forth herein and in the Agreement and (3) did not result from any threats or other coercive activities to induce my agreement to this Release.

If I exercise my right to revoke this Release within seven (7) days of my execution of this Release, I warrant and represent that I will: (1) notify the Company in writing, in accordance with the attached Agreement, of my revocation of this Release, and (2) simultaneously return in full any consideration received from the Company or any employee benefit plan sponsored by the Company.

The parties agree that this release shall not affect the rights and responsibilities of the US Equal Employment Opportunity Commission (hereinafter "EEOC") to enforce the Age Discrimination in Employment Act

of 1967, as amended and other laws. In addition, the parties agree that this release shall not be used to justify interfering with my protected right to file a charge or participate in an investigation or proceeding conducted by the EEOC. The parties further agree that the Releasors knowingly and voluntarily waive all rights or claims that arose prior to the date hereof that the Releasors may have against the Releasees to receive any benefit or remedial relief (including, but not limited to, reinstatement, back pay, front pay, damages, attorneys' fees, experts' fees) as a consequence of any investigation or proceeding conducted by the EEOC.

The provisions of this Release are severable, and if any part of it is found to be unenforceable, the other paragraphs shall remain fully valid and enforceable. This Release shall be construed in accordance with its fair meaning and in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles. Capitalized terms used but not defined herein shall have the meanings set forth in the Severance and Change of Control Agreement. I further warrant and represent that I fully understand and appreciate the consequences of my signing this Release. Notwithstanding any other provision in this Release, the parties agree that this Release does not prohibit me from: (1) filing a charge with or communicating with the National Labor Relations Board, the Equal Employment Opportunity Commission, or another federal, state or local government official for the purpose of reporting or investigating a suspected violation of law; or (2) communicating directly with the U.S. Securities and Exchange Commission about a possible securities law violation.

[Signature Block]

EXHIBIT B

NAMED COMPANY COMPETITORS

“Named Company Competitor” means [*****]

EXHIBIT C

TERRITORY

“Territory” means [*****]

CERTIFICATIONS

I, John C. Fortson, certify that:

1. I have reviewed this report on Form 10-Q of Ingevity Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2022

By: /S/ JOHN C. FORTSON
John C. Fortson
President and Chief Executive Officer

1. I have reviewed this report on Form 10-Q of Ingevity Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2022

By: /S/ MARY DEAN HALL
Mary Dean Hall
Executive Vice President and Chief Financial Officer

**Certification of CEO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

I, John C. Fortson, President and Chief Executive Officer of Ingevity Corporation (“the Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, based on my knowledge that:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2022

/S/ JOHN C. FORTSON

John C. Fortson
President and Chief Executive Officer

**Certification of CFO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Mary Dean Hall, Executive Vice President and Chief Financial Officer of Ingevity Corporation (“the Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, based on my knowledge that:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 3, 2022

/S/ MARY DEAN HALL

Mary Dean Hall

Executive Vice President and Chief Financial Officer