



QUAKER HOUGHTON CODE OF CONDUCT AND GUIDELINES

INTRODUCTION

Quaker Houghton is committed to ethical conduct above reproach at all times. Ethical and law-abiding behavior characterized by fairness, honesty, and integrity is a standard expected of all those Colleagueed with Quaker Houghton and expected by all those who invest in or are served by Quaker Houghton. By using our Core Values to guide our behavior and adhering to the standards embodied in this Code of Conduct (the “Code”), we strive to meet these expectations and trust that each leader, decision maker, and Colleague in our organization will do the right thing. This Code applies to all of Quaker Houghton’s Colleagues and directors (collectively, the “Colleagues”).

Our Core Values

- **Exceed Customer Expectations.** We genuinely care about our customers and are dedicated to their success. In every aspect of our work, we innovate to provide solutions that make a difference so our customers can stay ahead in a changing world.
- **Live Safe.** We protect what matters most. Each of us is responsible for the safety of ourselves and those around us; creating zero-harm environments; and bringing our quality products to market in the most responsible way we can. Safety is the core of our culture.
- **Act with Integrity.** Integrity, honesty, reliability — they define our character. Each and every day we have the courage to do what’s right because trust is the cornerstone of our business. We earn trust by being true — to our customers and to each other.
- **Do Great Things Together.** We work together across roles, across disciplines, and across the globe. Because as one team, we are unstoppable. Through collaboration, debate, and working for a shared purpose, we move forward together to each and every success.
- **Embrace Diversity.** We learn from and are inspired by the many cultures, backgrounds, and knowledge of our team. When we respect and draw on the value all our colleagues bring, customers want to work with us and people want to work for us. Our differences make us better.
- **Drive Results.** Results are critical. We set the bar high and deliver on it. Then we raise the bar higher, thriving on progress. We continually seek to improve and provide new ways to help our customers, our employees, and our shareholders win.

Our shared responsibilities

Colleagues must understand and are expected to work in accordance with the principles contained in our Core Values. The Code and the accompanying policies (collectively the “Standards”) were written to assist you in translating these values into good actions and decisions. It does not cover every issue, but the basics are here to help in your general understanding of the conduct desired. Other corporate policies and practices as well as “good old common sense” should also guide your conduct.

We want you to be sensitive to situations that could result in illegal, unethical, or improper actions. Therefore, if you feel a particular action is questionable or looks improper, seek guidance. Ultimately, Quaker Houghton requires each Colleague to take responsibility for safeguarding the integrity of Quaker Houghton and ensuring the propriety of his or her own actions. **No one, regardless of level or position, is ever authorized to direct a Colleague to commit an illegal or improper act. And no one may justify an illegal, unethical, or improper act by claiming it was ordered by a superior. Your commitment to this principle will be your best guide.**

COMPLIANCE WITH LAWS AND REGULATIONS

Quaker Houghton is committed to complying with all applicable laws. The observance of all laws governing business activity is of the utmost importance to Quaker Houghton's continued success. Toward this end, Quaker Houghton intends to avoid even the appearance of wrongdoing because such appearances, however innocent, may lead to expensive and time-consuming litigation and adverse publicity.

While it is not practical to list all laws to which Quaker Houghton is subject, it is obvious that neither Quaker Houghton nor its Colleagues should encourage or participate, directly or indirectly, in such activities as theft, fraud, embezzlement, bribery of governmental officials, misappropriation or conversion of property, false statements to the government or others, discriminatory employment practices, unsanctioned boycotts, and violations of environmental or workplace safety laws. Colleagues should not engage in any fraudulent, deceptive, or corrupt conduct toward Quaker Houghton, its customers, suppliers, contractors, Colleague representatives, or anyone else with whom Quaker Houghton has business associations.

The following are a few of the laws you should be aware of:

1. Inside Information and Securities Trading

Securities laws prohibit persons from trading securities on the basis of non-public material information. A Colleague who is aware of non-public material information related to Quaker Houghton or to firms negotiating or competing with Quaker Houghton may not buy or sell shares or other securities of Quaker Houghton or these firms. This information may not be disclosed to any person outside Quaker Houghton until the information has been adequately disclosed to the public by authorized Quaker Houghton officials.

Material information is any information that a reasonable investor would consider important in deciding whether to buy, sell, or hold securities. In short, any information which could reasonably

affect the price of a Quaker Houghton's stock is considered material. Examples include potential acquisitions and divestitures, new products or processes, earnings figures and trends, and important information on litigation, contracts, or joint ventures. It is also important to note that if a Colleague's securities transactions become the subject of scrutiny, they will be viewed after the fact with the benefit of 20/20 hindsight. As a result, before engaging in any transaction involving Quaker Houghton stock or the securities of any other entity, you should carefully consider how regulators or others might view your transaction in hindsight. Consult Quaker Houghton's General Counsel if you have any question as to whether certain information is material.

The consequences of buying or selling securities while in possession of inside information or "tipping" others about such information can be severe. Persons found to have traded on inside information, or to have passed such information to others, are subject to civil sanctions and criminal prosecution, with potentially severe penalties. Similar penalties may be imposed on "controlling persons" who knew or recklessly disregarded that another Colleague was engaged in insider trading and failed to take appropriate steps to disclose or prevent such violation.

Each Executive Leadership Team ("ELT") member must inform the CEO and Assistant Corporate Secretary of their intent to buy or sell Quaker Houghton securities, including the exercise of options, before executing the transaction. Each executive should be mindful of the Stock Ownership Policy and guidelines and ensure they continue to meet their ownership requirements following any transaction.

ELT members, "Section 2 Restricted Colleagues" (as such is defined in Quaker Houghton's Insider Trading Policy) and Quaker Houghton's directors are prohibited from trading in any securities of Quaker Houghton during a "restricted period." A "restricted period" generally begins on the first day of the last month of each calendar quarter (i.e., on each March 1, June 1, September 1 and December 1) and continues through the second full trading day following Quaker Houghton's public announcement by press release of our results of operations for the calendar quarter during which the restricted period commenced. Please refer to Quaker Houghton's Insider Trading Policy for a more detailed explanation.

The preceding paragraphs are only a brief summary of the rather complicated rules regarding the trading of Quaker Houghton's stock based on non-public or "inside" information. For additional rules and guidance please refer to the Insider Trading Policy. Remember, any questions concerning the application of these policies and rules to a particular situation should be directed to Quaker Houghton's General Counsel.

2. *Foreign Corrupt Practices Act*

Quaker Houghton and its Colleagues, agents, distributors, and representatives will strictly comply with the United States Foreign Corrupt Practices Act of 1977, as amended (the "FCPA Act"). Under the FCPA Act:

- ☞ Any of Quaker Houghton's shareholders, directors, agents, officers, and Colleagues are prohibited from making or authorizing payment of either money or anything of value, directly or indirectly, to foreign officials, political parties, or candidates for foreign political office to win or retain business or influence any act or decision of such officials.

- ☞ All books, records, and accounts, domestic and overseas, must accurately and fairly reflect the transactions and dispositions of Quaker Houghton's assets.
- ☞ A system of internal accounting controls must be maintained to provide adequate corporate supervision over the accounting and reporting activities at all levels.
- ☞ Certain payments and gifts to foreign government Colleagues whose duties are essentially ministerial or clerical may be permissible. You must consult with Quaker Houghton's General Counsel before authorizing or making any such payment.

For an additional explanation of the Act, its prohibitions, and Quaker Houghton policy prohibiting bribery in general, please refer to the Compliance Guide: Foreign Corrupt Practices Act.

3. Competitive Information

In the highly competitive global economy, information about competitors, suppliers, and customers is a valuable asset. While we continually need to learn more about what our competitors are doing, Quaker Houghton and its Colleagues will observe accepted standards of fair conduct and legality when obtaining this information. No information should be sought, obtained, or used that would violate antitrust laws, laws protecting proprietary data, or confidential relationships between Colleagues and employers.

Candidates for employment at Quaker Houghton may come from various sources including Quaker Houghton's customers, suppliers, or competitors. We expect potential Colleagues to be fully qualified, but they may not, and will not be asked to, make available to Quaker Houghton any proprietary information of their former employers.

4. Antitrust

It is the policy of Quaker Houghton to comply fully with the antitrust laws that apply to its operations in the United States and throughout the world. The underlying principle behind these laws is clear: a person who purchases goods in the marketplace should be able to select from a variety of products at competitive prices unrestricted by artificial restraints. We, at Quaker Houghton, believe in these principles of free and competitive enterprise and are firmly committed to them. We consider compliance with antitrust laws so vitally important that neither claims of ignorance, good intentions, nor failure to seek timely advice will be accepted as an excuse for violation. The penalties for violations of antitrust laws are quite severe and include not only possible dismissal from Quaker Houghton, but also civil fines and penalties and criminal fines and penalties. **Therefore, whenever in doubt about compliance with antitrust laws, you must seek the guidance of Quaker Houghton's Legal Department.**

To preserve and protect competition in goods and services across all aspects of our business, engaging in or conspiring to do any of the following activities is strictly forbidden:

- Colluding with competitors to fix prices or to allocate customers or markets;
- Engaging in predatory practices to monopolize or attempt to monopolize the market;
- Discriminating in price between different purchasers of our products without a legal basis to do so;
- Controlling the resale pricing of distributors (although a resale price may be suggested); and

- Engaging in tie-in sales or exclusive dealing arrangements which negatively impact trade.

Remember never to discuss or communicate with any competitor pricing, terms or conditions of sale, or margins, etc. Trade association meetings and conventions sometimes present opportunities to violate these guidelines. If you are in a conversation, and such topics do arise, you must remove yourself from the conversation.

5. Human Trafficking in Persons and Slavery

Quaker Houghton is committed to a work environment that is free from human trafficking and slavery, including forced labor and unlawful child labor. Quaker Houghton will not tolerate or condone human trafficking or slavery in any part of our global organization. Quaker Houghton employees, contractors, subcontractors, vendors, suppliers, partners and others through whom Quaker Houghton conducts business must avoid complicity in any practice that constitutes trafficking in persons or slavery. Quaker Houghton prohibits employees, subcontractors, subcontractor employees, and agents from engaging in practices relating to trafficking in persons, including but not limited to:

- Engaging in any form of trafficking in persons or using forced labor in the performance of any work;
- Procuring commercial sex acts;
- Destroying, concealing, confiscating, or otherwise denying access by an individual to the individual's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
- Using misleading or fraudulent practices during the recruitment of candidates or offering of employment/contract position, including but not limited to, failing to disclose, in a format and language accessible to the potential candidate, basic information or making material misrepresentations during the recruitment of candidates regarding the key terms and conditions of employment;
- Using recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
- Charging applicants/candidates recruitment fees; or
- If required by law or contract, failing to provide return transportation or failing to pay for the cost of return transportation upon the end of employment, arrange housing that meets the host country housing and safety standards or failing to provide an employment contract, recruitment agreement, or other required work document in writing.

EMPLOYMENT PRACTICES

Health and Safety

It is Quaker Houghton's policy to provide each of its Colleagues with a safe and healthy work environment. To support that policy, Colleagues must abide by all safety rules and practices and assume responsibility for taking the necessary precautions to protect themselves and their co-workers. Colleagues are also responsible for immediately reporting accidents and unsafe practices or conditions. Appropriate, timely action will be taken to correct unsafe conditions once they have been reported. Quaker Houghton expects Colleagues to report to work in condition to perform their duties, free from the influence of drugs or alcohol. Reporting to work under the influence of any illegal drug or alcohol,

having an illegal drug in his/her system, or using, possessing, or selling illegal drugs while on the job or on Quaker Houghton property is forbidden and will result in discipline, including discharge.

Equal Employment Opportunity

Quaker Houghton provides equal employment opportunities for all Colleagues and applicants for employment. We encourage and support diversity in its workforce and in its contracting practices and has pledged to ensure equal opportunity. Quaker Houghton will not discriminate illegally in any respect including, without limitation, on the basis of age, ethnicity, sex, disability/medical, race, religion, or sexual orientation.

Workplace Harassment

Workplace harassment is any unwelcome or unwanted discriminatory conduct based on an individual's sex, race, religion, age, ethnic or national origin, sexual orientation, disability, or other illegal or inappropriate basis.

Quaker Houghton will not tolerate verbal, nonverbal, or physical conduct by any Colleague who harasses, disrupts, or interferes with another's work performance or who creates an intimidating, offensive, abusive, or hostile work environment. Such conduct, when severe or pervasive enough to create an objectively hostile or abusive work environment that a reasonable person would find hostile or abusive, is both against Quaker Houghton's policy and the law. It is your responsibility to maintain a harassment-free environment.

If you feel you have been harassed, tell the person offending you to stop. Let the person know the action is unwelcome. If you would prefer not to approach the other person directly, or if it fails to solve the problem, immediately report the situation to your supervisor, a human resources representative, or other member of management. Any supervisor made aware of a possible harassment or discrimination problem must immediately notify Quaker Houghton's Human Resources Department or Legal Department. No Colleague who exercises his or her right to report such incidents involving harassment or who provides information related to any such complaint will be subject to retaliation.

Colleague Privacy

We protect all Colleagues against unauthorized use of information about them in Quaker Houghton records. Heightened confidentiality standards apply to Colleague medical information as well as certain other private information contained in our records. All Colleagues privy to this information are reminded of the requirements to maintain that information as strictly confidential in conversations, written communications, and when maintaining Quaker Houghton's records.

BUSINESS CONDUCT AND PRACTICES

Our integrity is essential to Quaker Houghton's success. Honesty, good judgment, and adherence to applicable laws and regulations are required in all our business practices worldwide.

Accuracy and Retention of Business Records

Colleagues must help to ensure that reports and other documents Quaker Houghton files with, or furnishes to, the Securities and Exchange Commission, as well as all public statements Quaker Houghton makes, comply with all applicable regulations and are fair, accurate, timely, complete and understandable. In furtherance of this charge, information must be reported and recorded accurately, timely and honestly. This includes accurate reporting of time worked, business expenses incurred, laboratory test results, production data, and all other business-related activities. Financial records must accurately reflect transactions. No entry may be made on Quaker Houghton's books and records which intentionally hides or disguises the true nature of any transaction. No undisclosed or unrecorded funds or assets may be established. Quaker Houghton documents should be retained for the period of time specified in your business unit's record-retention schedule and no longer.

Quaker Houghton Property

Colleagues must respect and protect Quaker Houghton property. Quaker Houghton's assets, including office furniture and supplies, production and lab equipment, and computer hardware and software and other communication equipment, must not be used for personal reasons. These assets should not be taken out of Quaker Houghton facilities unless necessary to perform Quaker Houghton work.

Use of unlicensed software is illegal and strictly forbidden at Quaker Houghton. Quaker Houghton has a license to use its software, which is protected by copyrights in most countries in which we operate. Copying a program to use on a home computer, even for work-related activities, is not allowed without the express written permission of the licensor of that software and the IS Department. The IS Department will perform all software installation onto Quaker Houghton's computer systems, which is important to ensure that the use is in accordance with the license as well as to guard against viruses or system incompatibilities.

Proprietary/Confidential Information

Quaker Houghton's private and proprietary information is vitally important to our business. Because disclosure can destroy the value of such information, both present and former Colleagues have a special responsibility to do their utmost to protect information to which they have been given access.

Every Quaker Houghton Colleague has access to proprietary/confidential information and has responsibility for protecting that information. Examples of proprietary/confidential information include (but are not limited to):

Business Information:

↳ Strategic and marketing plans

- ℞ Market studies and data
- ℞ Undisclosed financial information and results
- ℞ Customer lists
- ℞ Selling and pricing information
- ℞ Information from other companies or governmental agencies used in the course of our business

Colleague Information:

- ℞ Personnel records/organization charts
- ℞ Telephone directories

Technical Information:

- ℞ Product formulas and related raw material information
- ℞ Process application information, including specific customer information
- ℞ Test methods
- ℞ Computer passwords
- ℞ Computer telephone access numbers

Security Information:

- ℞ Locations of sensitive equipment plans or records

As Quaker Houghton Colleagues, we must continuously emphasize the importance of protecting our proprietary information. Disclosing such information to unauthorized persons can diminish or destroy the value of the information injuring Quaker Houghton and any others who have entrusted their information to us. It is the responsibility of each Colleague to safeguard all proprietary information regardless of whether it bears a label. Unauthorized disclosure of Quaker Houghton's proprietary information is grounds for dismissal and other penalties.

Improper or illegal disclosure of trade secrets exposes the individual involved to liability for any damages suffered by Quaker Houghton as a result of that breach. Indeed, the Economic Espionage Act of 1996 makes it a crime to steal trade secrets, with consequences including jail terms for individuals and substantial fines for corporations.

Since Quaker Houghton often enters into confidentiality agreements with third parties with which it does business, Colleagues are reminded of their obligations as a result of those agreements to protect confidential information of both Quaker Houghton and outside entities.

Information Systems

The proper use of our information systems is critical to our business and our success. Inappropriate use of computer equipment, software, e-mail or of the Internet is not permitted nor is unauthorized access to information through our internal computer network or into networks of third parties. Violations of this policy could result in a violation of the law. The information systems are Quaker Houghton's property and Quaker Houghton may examine the contents of its computers, including e-mail transmissions, at any time. For additional guidance and information, please refer to Quaker Houghton's Information Systems Usage and Security Policy.

ENVIRONMENT

We all must act responsibly toward the environment. Quaker Houghton is committed to a continuing effort to reduce adverse environmental impacts which may be caused by its operations or its products or services. All Colleagues are responsible for Quaker Houghton's environmental performance.

This means you must, to the best of your ability, minimize any adverse impact Quaker Houghton's products, processes, and services may have on the environment. Facilities must comply with environmental laws and not operate without the required environmental permits, approvals, and controls. Facilities must have an environmental plan in place, must follow that plan, and must update it annually. They and the responsible individuals must keep pollution-control equipment in proper working order. They must submit accurate and timely environmental information, as required, to appropriate government agencies and Quaker Houghton. Facilities and business units will be subject to periodic regulatory compliance and state-of-the-art audits.

POLITICAL CONTRIBUTIONS

Quaker Houghton and its Colleagues, agents, and representatives will comply with all federal, state and local laws that govern elections and campaign contributions in the U.S. and around the globe. Neither the resources nor reputation of Quaker Houghton are to be used for any political activities, even in countries where it may be traditional, customary or legal to do so, since it is not Quaker Houghton's intent to become involved in any way with the internal political affairs of other countries. Accordingly, no Quaker Houghton Colleague, agent or representative is authorized to make a political contribution on behalf of Quaker Houghton or in Quaker Houghton's name or to use his/her position with Quaker Houghton to solicit contributions from Quaker Houghton's suppliers, subcontractors, vendors or consultants except as otherwise permitted below.

Quaker Houghton does reserve its right, however, to express an opinion on, and/or use its resources for, political issues that may have an economic effect on our business. Such opinions may only be expressed and contributions made by Quaker Houghton officers who are authorized to do so after consultation with the Legal Department.

Individual Contributions

Quaker Houghton's policy on political contributions applies solely to the use of Quaker Houghton assets and is not intended to discourage or prevent individuals from engaging in political activities on their own time and at their own expense. You must take care, however, in all cases to avoid giving the appearance that you are acting or speaking on Quaker Houghton's behalf. Since your work time can be considered a contribution, no employee may work for any candidate during hours for which he is being paid by Quaker Houghton.

CONFLICTS OF INTEREST

We may not participate in any activities that could conflict with our responsibilities at Quaker Houghton. A conflict of interest arises when the personal interests or activities of a Colleague influence, or even appear to influence that Colleague's ability to act in the best interests of Quaker Houghton.

Family Members

A conflict of interest may arise when doing business with or competing with organizations in which family members have an ownership or employment interest. "Family members" includes a spouse, parents, children, siblings, and in-laws. You must not conduct business on behalf of Quaker Houghton with family members or an organization with which you or your family member is Colleague unless specific written approval has been granted in advance. For employee Colleagues, this approval must be granted by the head of your business unit; for executive officers and directors, this approval must be granted by the Audit Committee of the Board of Directors.

Outside Employment

For employee Colleagues, your primary employment obligation is to Quaker Houghton. Any outside activity, such as a second job or self-employment, must be kept totally separate from your activities with Quaker Houghton. You may not use Quaker Houghton's time, name, influence, assets, facilities, materials, or services of other Colleagues for outside activities unless specifically authorized by Quaker Houghton in writing, as in certain volunteer work.

Ownership in Other Businesses

Quaker Houghton Colleagues shall not own, directly or indirectly, a significant financial interest in any business entity that does or seeks to do business with, or is in competition with, Quaker Houghton unless specific written approval has been granted in advance by the General Counsel. As a guide, "a significant financial interest" is defined as ownership by a Colleague and/or family members of more than 5% of the outstanding securities/capital value of a corporation.

Corporate Opportunities

You are prohibited from taking for yourself personally opportunities that are discovered through the use of corporate property, information, or your position without having been granted specific written approval. For employee Colleagues, the head of your business unit must grant this approval; for executive officers and directors, the Audit Committee of the Board of Directors must grant this approval. In addition, you may not use corporate property, information or your position for improper personal gain and may not compete with Quaker Houghton directly or indirectly. You owe a duty to Quaker Houghton to advance its legitimate interests when the opportunity to do so arises.

Relations with Customers and Suppliers/Gifts Received or Given

Quaker Houghton buys and sells products and services solely on the basis of their quality and value. If you make purchasing and selling decisions for Quaker Houghton and its customers, you have a responsibility to be independent and objective and to avoid situations that might compromise your independence or objectivity.

When you buy or sell on behalf of Quaker Houghton, you have a responsibility to our stakeholders and our customers to seek and offer the best and most cost-effective products and to evaluate them consistently and impartially. Receiving personal gifts or favors that influence (or appear to influence) your decisions risks injuring Quaker Houghton's business operations and its reputation as an ethical Quaker Houghton. Personal, financial, or private business relationships with customers and suppliers and potential customers and suppliers (which includes Colleagues of such customers and suppliers) may also cast doubt upon your, and therefore Quaker Houghton's, independence and objectivity.

Quaker Houghton's customers have a similar responsibility to their owners. We must not undermine their independence or objectivity with personal gifts or favors. You should acquaint yourself with your customers' standards of conduct to avoid putting them in compromising or questionable situations. In addition, if you have relatives who work for competitors or suppliers, you should be particularly careful with confidential information.

We want our customers to buy Quaker Houghton products and services because those products and services meet their requirements and provide the best quality at a fair price. Business gained by personal favors will be lost in the long term if Quaker Houghton fails to serve the real needs of customers. You should recommend to customers only those products and services that suit their needs.

You may generally exchange business courtesies, such as reasonable entertainment and gifts of nominal value or which are customary in your location. However, always use sound judgment and act with moderation. If you are engaged in external relationships on behalf of Quaker Houghton, you must observe the following guidelines:

- ☞ Neither you nor any family member should accept any gift Colleague'd with doing business on behalf of Quaker Houghton that
- Goes beyond common courtesies generally Colleague'd with accepted business practice; or
 - Could place you under an obligation to a current or potential supplier of goods or services or other person seeking to do business with Quaker Houghton; or
 - If publicly disclosed, would be embarrassing to Quaker Houghton. Accepting cash gifts of *any amount* is never acceptable.

Any Colleague who may have an actual or potential conflict of interest shall immediately disclose all pertinent facts to his or her manager or to the General Counsel for a final determination as to whether the facts are such as to give rise to a conflict. Where an existing or potential conflict of interest is found, Quaker Houghton's designated representative will meet with the Colleague concerned to establish appropriate conditions as to how the conflict or potential conflict is to be handled.

THE REPORTING PROCESS

Making the right decisions is key to our success. If you are faced with an ethical dilemma, or feel you have witnessed or have knowledge of an illegal or unethical activity, or if you have concerns regarding possibly questionable accounting, internal accounting controls, or auditing matters, you are encouraged to go to your supervisor or manager as a first step. If you would prefer not to approach your supervisor or manager directly, do not get a timely or satisfactory response, there are alternative methods to make inquiries into ethical business concerns or report illegal or unethical behavior. You can contact Quaker Houghton's Senior Vice President, General Counsel and Corporate Secretary, Robert T. Traub, who is currently serving as Quaker Houghton's Corporate Compliance Director and as Chairman of the Corporate Compliance Committee ("CCC"). Executive officers and directors must contact the CCC or the Audit Committee of the Board of Directors ("Audit Committee") with any such concerns. If the activity involves accounting, internal accounting controls or auditing matters you should also copy the Director of Internal Audit.

You can also visit our compliance website at www.quakerchem.ethicspoint.com or call the Quaker Houghton Hotline at 1-800-869-9414 and if you are located outside of the U.S., call 1-503-747-1970. The Quaker Houghton Hotline is a toll-free telephone line dedicated solely to answering Colleague questions and concerns and solving problems. All calls to the Hotline are answered by an independent third-party service. This service is multilingual and available 24 hours a day, seven days a week. Calls are neither taped nor traceable and if you wish you can remain anonymous. The caller will be given an I.D. number and advised when to call the Hotline back to inquire about the resolution of the matter.

All inquiries received via the Hotline or by Quaker Houghton's General Counsel will be referred to the CCC for resolution. Inquiries or concerns regarding accounting, internal accounting controls, auditing matters or involving the executive officers or directors will also be referred to the Audit Committee who will be responsible for their disposition.

Inquiries will be handled confidentially to the extent possible under the circumstances and consistent with enforcement of our Standards and our need to investigate, report, or correct any misconduct. As indicated above, while you may choose to remain anonymous in some situations, anonymity may make it more difficult to investigate and resolve your inquiry.

The CCC reports to the Audit Committee. Members of the CCC presently include:

- ☞ Robert T. Traub – Senior Vice President, General Counsel and Corporate Secretary
- ☞ Mac McElroy – Director, Internal Audit
- ☞ Kym Johnson – Senior Vice President, Global Human Resources, CHRO

Each Colleague has a responsibility to notify Quaker Houghton in a timely fashion of any violations of the Standards. Quaker Houghton expects that Colleagues fully cooperate in any investigation of business conduct, which may violate our Standards. It is Quaker Houghton's policy to ensure no retaliation occurs as a result of any Colleague raising a business integrity issue or reporting a perceived violation in good faith. Failure to report possible illegal or unethical conduct will be

considered a gross violation of Quaker Houghton's policies, subject to appropriate discipline, up to and including immediate termination.

OTHER WORKPLACE ISSUES

It is important to note that some things happen in the workplace that might cause you concern but are not necessarily corporate conduct or business ethics issues. For example, you might have received a poor performance review, or you do not have a good relationship with a co-worker, or you feel that your department is not being managed efficiently. These concerns, although real, expose neither you nor Quaker Houghton to liability, fines or imprisonment; they do not threaten the safety of others; and they are not the benchmarks of Quaker Houghton's reputation. They are, therefore, not to be considered as violations of the Standards. Instead they should be pursued through the normal avenues of recourse (e.g., your supervisor, Human Resources Department or department manager).

There are, of course, opportunities for honest differences of opinion as to whether an action triggers the business conduct guidelines and reporting requirements. For example, is a poor performance review an honest assessment of the supervisor's opinion or is it on account of discriminatory biases that are addressed by Quaker Houghton's equal employment opportunity policy? If there does not seem to be a clear "yes" or "no" or "right" or "wrong" answer, you still have a duty to either post an inquiry to the Hotline or contact our General Counsel. While it may not be a "reportable" situation, it may be one that should be addressed in future policies.

Keep in mind that Quaker Houghton has taken a strong position against any retaliation for even raising a business conduct issue. You will not be subject to any discipline for bringing a good faith suspicion of wrongdoing to Quaker Houghton's knowledge.

COMPLIANCE TRAINING

Quaker Houghton considers the values, responsibilities and guidelines contained in the Code to be of paramount importance. In order to further aid in your understanding of the Code and the reporting process, we will periodically provide you with training programs, which may take the form of in-person seminars or on-line training courses. Quaker Houghton believes this training will help ensure the successful compliance with the Standards in this Code. Your attendance and participation in the training process will be mandatory and you will be subject to adverse employment action, up to and including termination, should you fail to fulfill your training obligations.

GUIDELINES FOR PARTICIPATION IN GOVERNMENTAL INVESTIGATIONS

It is Quaker Houghton's policy to fully cooperate with any appropriate government investigation. Any Colleague that learns about a possible government investigation or inquiry should inform the appropriate Quaker Houghton contact or Quaker Houghton's Legal Department immediately and keep the following guidelines in mind:

- Never destroy Quaker Houghton documents in anticipation of or after a request for such documentation. This includes electronic media such as e-mails and documents stored on disk.
- Do not make unauthorized alterations of any historical business documents or records, including electronic versions.
- If you are asked to make a statement to a government investigator, you have the right to first consult with legal counsel. If you are approached by the investigator by phone or in person whether you are at work or elsewhere, you must immediately notify the Legal Department even if you do not wish to seek legal counsel through the Legal Department. Of course, you always have the right, if you wish, to consult with your own private counsel before speaking to the investigator.
- Always be sure to check and record the identity of the investigator.
- Never make untrue or misleading statements to an investigator, and make sure you have full information about the matter before answering questions.
- Never attempt to improperly influence a government investigation.
- Always submit any subpoena or written request from a government agency immediately to the Legal Department before any action is taken or promised.

Quaker Houghton will not discharge, demote, suspend, threaten, harass, or in any manner discriminate against you in the terms and conditions of your employment based upon any lawful act that you do in connection with any governmental investigation.

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