

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

FORM 8-K

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

April 5, 2017
Date of report (Date of earliest event reported)

QUAKER CHEMICAL CORPORATION
(Exact Name of Registrant as Specified in Charter)

Commission File Number 001-12019

PENNSYLVANIA
(State or other jurisdiction
of incorporation or organization)

No. 23-0993790
(I.R.S. Employer
Identification No.)

One Quaker Park
901 E. Hector Street
Conshohocken, Pennsylvania 19428
(Address of principal executive offices)
(Zip Code)

(610) 832-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 8.01 Other Events.

On April 4, 2017, Quaker Chemical Corporation (“Quaker Chemical”) entered into a Share Purchase Agreement with Gulf Houghton Lubricants, Ltd., an exempted company incorporated under the laws of the Cayman Islands (“**Helios**”), Global Houghton Ltd., an exempted company incorporated under the laws of the Cayman Islands (“**Global Houghton**”), and certain members of the management of Global Houghton (collectively with Helios, the “**Sellers**”) and Gulf Houghton Lubricants, Ltd., as agent for the Sellers (the “**Sellers’ Representative**”).

Quaker Chemical released a press release providing information about the transaction on April 5, 2017. A copy of that document is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Quaker Chemical made available on its website a slide presentation providing information about the transaction on April 5, 2017. A copy of that document is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Quaker Chemical webcast a video by its Chief Executive Officer to its employees providing information about the transaction on April 5, 2017. A copy of the script and the accompanying slides are attached hereto as Exhibit 99.3 and Exhibit 99.4, respectively, and each is incorporated herein by reference.

Quaker Chemical also distributed a frequently asked questions document to its employees providing information about the transaction on April 5, 2017. A copy of that document is attached hereto as Exhibit 99.5 and is incorporated herein by reference.

Quaker Chemical’s Chief Executive Officer sent an e-mail to Quaker Chemical’s employees describing the transaction on April 5, 2017. A copy of that e-mail is attached hereto as Exhibit 99.6 and is incorporated herein by reference.

The information required by Item 1.01, including a copy of the Merger Agreement, will be filed in a separate Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Press Release, dated April 5, 2017.
99.2	Quaker Chemical Slide Presentation, dated April 5, 2017.
99.3	Quaker Chemical’s Chief Executive Officer Script to Video Presentation, dated April 5, 2017.
99.4	Slides accompanying the Quaker Chemical Chief Executive Officer Video Presentation, dated April 5, 2017.
99.5	Quaker Chemical Frequently Asked Questions, dated April 5, 2017.
99.6	Quaker Chemical E-mail to Employees April 5, 2017

Cautionary Statement Regarding Forward Looking Statements

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for Quaker Chemical's products and services is largely derived from the demand for its customers' products, which subjects Quaker Chemical to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Other factors, including those related to the transaction, could also adversely affect us including, but not limited to:

- the risk that Quaker Chemical shareholders may not approve the issuance of certain consideration for the proposed transaction;
- the risk that a required regulatory approval will not be obtained or is subject to conditions that are not anticipated or acceptable to us;
- the potential for regulatory authorities to require divestitures in connection with the proposed transaction, which would result in a smaller than anticipated combined business;
- the risk that a closing condition to the proposed transaction may not be satisfied in a timely manner;
- risks associated with the financing of the transaction;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the purchase agreement;
- potential adverse effects on Quaker Chemical's business, properties or operations caused by the implementation of the transaction;
- Quaker Chemical's ability to promptly, efficiently and effectively integrate Houghton's operations into those of Quaker Chemical;
- risks related to the disruption of each Company's time from ongoing business operations due to the proposed transaction; and,
- the outcome of any legal proceedings that may be instituted against the companies following announcement of the merger agreement and transactions contemplated therein.

Therefore, we caution you not to place undue reliance on our forward-looking statements.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our 2016 Form 10-K, and in our quarterly and other reports filed from time to time with the Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason

This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Additional Information and Where to Find It

In connection with the proposed transaction, Quaker Chemical will file a proxy statement with the Securities and Exchange Commission. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THIS PROXY STATEMENT WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the proxy statement (when available) and other documents filed by Quaker Chemical with the Commission at the Commission's web site at <http://www.sec.gov>. Free copies of the proxy statement, once available, and of Quaker Chemical's other filings with the Commission may also be obtained from the Company by directing a request to: Victoria K. Gehris, Investor Relations, +1.610.832.4246.

Quaker Chemical and its directors, executive officers and other members of its management may solicit proxies from its shareholders in favor of the transaction. Information concerning such persons who may be considered participants in the solicitation of Quaker Chemical's shareholders under the rules of the Commission will be set forth in the definitive proxy statement to be filed by Quaker with the Commission in connection with the transaction.

SIGNATURE

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 hereunto duly authorized.

QUAKER CHEMICAL CORPORATION

Date: April 5, 2017

By: /s/ Robert T. Traub
Robert T. Traub
Vice President, General Counsel
and Corporate Secretary

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated April 5, 2017.
99.2	Quaker Chemical Slide Presentation, dated April 5, 2017.
99.3	Quaker Chemical's Chief Executive Officer Script to Video Presentation, dated April 5, 2017.
99.4	Slides accompanying the Quaker Chemical Chief Executive Officer Video Presentation, dated April 5, 2017.
99.5	Quaker Chemical Frequently Asked Questions, dated April 5, 2017.
99.6	Quaker Chemical E-mail to Employees April 5, 2017



PRESS RELEASE

For Release: Immediate

Quaker Chemical and Houghton International to Combine
Creating a global leader uniquely positioned in metalworking and primary metals
platforms with deep expertise across attractive customer segments

CONSHOHOCKEN, Pa., April 5, 2017 /PRNewswire/ — Quaker Chemical Corporation (NYSE: KWR) and Houghton International Inc., companies with a combined 250-year history as providers of process fluids, chemical specialties, and technical expertise to the global primary metals and metalworking industries, today announced that they have executed a definitive agreement to combine the companies. Both Quaker Chemical and Houghton International are headquartered in the Philadelphia area.

"The proposed combination of Quaker Chemical and Houghton International represents the next phase of our evolution, and stays true to the vision of growing in our core specialties," said Michael F. Barry, Chairman and Chief Executive Officer of Quaker Chemical. "Joining forces with Houghton International combines two highly complementary businesses, each having a long history of building tremendous expertise, technology and customer-centric cultures dedicated to delivering long-term sustainable value to customers, shareholders and associates. The new company will capitalize on best practices and expertise from both businesses."

Sanjay Hinduja, Chairman of Houghton International, which is owned by the Hinduja Group through its Gulf Oil business, said, "We are pleased to enter this agreement to unite these two distinguished and global companies. Together we will strengthen our capabilities and business models to better serve the global market and all our stakeholders."

Under the terms of the agreement, Houghton International shareholders will receive \$172.5 million of cash and 24.5 percent ownership of the combined company, representing approximately 4.3 million shares of newly issued Quaker Chemical stock. In addition, Quaker Chemical will assume Houghton International's debt and cash, with net debt of approximately \$690 million at year-end 2016. The agreement has been approved by both Quaker Chemical's board of directors and Houghton International's board of directors with full support of the Hinduja Group, which will become Quaker Chemical's largest shareholder.

Houghton International and Quaker Chemical are both known for a commitment to innovation in a highly specialized and technologically demanding industry.

"In addition to our complementary businesses," said Mike Shannon, Chief Executive Officer of Houghton International, "we are each committed to creating solutions for our customers through innovation, strong technical expertise and global reach with localized applications expertise."

Highly Complementary Transaction

Combining Quaker Chemical's and Houghton International's product solutions and service offerings will allow the new company to better serve customers in the automotive, aerospace, heavy equipment, metals, mining, machinery, marine, offshore, and container industries. The business will have one of the world's most expansive metalworking platforms comprised of specialty products that include removal fluids, forming fluids, protecting fluids, heat treating fluids, industrial lubricants and greases. The expanded portfolio is expected to generate significant cross-selling opportunities and allow further expansion into growth markets that include India, Korea, Japan, and Mexico.

Quaker Chemical Corporation
One Quaker Park, 901 E. Hector Street, Conshohocken, PA 19428-2380 USA
P: 610.832.4000 F: 610.832.8682
quakerchem.com



By combining resources, the new company will increase the breadth of its innovative technology, accelerate its product development initiatives and time to market, and diversify its long-term R&D pipeline.

The company's customer-intimate business model will be further strengthened with an expanded chemical management offering. The enhanced portfolio, industry-expert associates and applications expertise will enable the combined company to bring additional value to its customers' overall performance and operations.

Value Creation For Shareholders

For 2016, Quaker Chemical had revenue of \$747 million, \$107 million of adjusted EBITDA, and \$22 million of net cash. During the same period, Houghton International had revenue of \$767 million, \$120 million of adjusted EBITDA, and \$690 million of net debt. After the close of the transaction, shares of the combined company will continue to be listed on the New York Stock Exchange.

The company anticipates achieving cost synergies of approximately \$45 million, the majority of which will be realized within two years of closing. These synergies are expected to be driven primarily by supply efficiencies and cost reductions. Additional value creation is expected through cross-selling opportunities and the ability to provide an expanded array of products and solutions for customers.

Post-transaction, the combined company expects to continue to maintain its dividend and use its strong cash flow generation to quickly reduce debt, improving its pro forma net debt to adjusted EBITDA ratio from approximately 3.7 times at close to approximately 2.5 times within two years after close.

Financing, Governance And Leadership

Quaker Chemical has secured \$1.15 billion in committed financing from Bank of America Merrill Lynch and Deutsche Bank Securities Inc. to support the transaction, which includes \$200 million of additional liquidity for future needs. The company estimates that the annual ongoing interest costs of the financing will be in the 3 percent range at today's interest rates.

The completion of the transaction, which is expected by the end of 2017 or early 2018, is subject to customary closing conditions, including regulatory approvals and approval by Quaker Chemical shareholders. The companies will continue to operate independently until the transaction is completed.

Following closing of the transaction, the new company is expected to have a 12-member board of directors, consisting of 9 directors from Quaker Chemical and 3 directors to be nominated by the Hinduja Group. Michael F. Barry will continue as Chairman and Chief Executive Officer of the new business, and the structure of the company will be determined in the period between signing and closing.

Deutsche Bank Securities Inc. is serving as Quaker Chemical's lead financial advisor. Drinker Biddle & Reath LLP are acting as its legal advisors. The Valence Group provided a fairness opinion to the Board of Directors.

RBC Capital Markets, LLC is serving as exclusive financial advisor to Houghton International. Mayer Brown LLP are acting as its legal advisors.

Quaker Chemical Corporation
One Quaker Park, 901 E. Hector Street, Conshohocken, PA 19428-2380 USA
P: 610.832.4000 F: 610.832.8682
quakerchem.com



Conference Call And Webcast Information

Quaker Chemical will hold a call for financial analysts on April 5, 2017 at 8:30 a.m. Eastern time. The call can be accessed in the following ways:

A live webcast of the conference call, together with supplemental information, can be accessed through Quaker Chemical's Investor Relations website at: <http://www.quakerchem.com>.

Dial-in Number: +1-877-269-7756 (in the United States), or +1-201-689-7817 (outside the United States).

Please call 5-10 minutes prior to the scheduled start of call. No password required.

A replay will be available through Monday, April 10, 2017.

Call +1-877-660-6853 (in the United States), or +1-201-612-7415 (outside the United States); Conference ID number 13659123

Archived webcast: Visit Quaker Chemical's website at www.quakerchem.com.

About Quaker Chemical

Quaker Chemical is a leading global provider of process fluids, chemical specialties, and technical expertise to a wide range of industries, including steel, aluminum, automotive, mining, aerospace, tube and pipe, cans, and others. For nearly 100 years, Quaker Chemical has helped customers around the world achieve production efficiency, improve product quality, and lower costs through a combination of innovative technology, process knowledge, and customized services. Headquartered in Conshohocken, Pennsylvania, USA, Quaker Chemical serves businesses worldwide with a network of dedicated and experienced professionals whose mission is to make a difference.

About Houghton International

Houghton International is a global leader in delivering advanced metalworking fluids and services for the automotive, aerospace, metals, mining, machinery, offshore and beverage industries. Headquartered in Valley Forge, Pennsylvania, Houghton International operates research, manufacturing and office locations in 33 countries around the world delivering solutions that increase productivity, reduce operating costs and improve product quality for our customers. Houghton International is a Hinduja Group Company, which has owned more than 95% of Houghton International since 2012.

About Hinduja Group

The Hinduja Group is one of India's premier diversified and transnational conglomerate. Employing nearly 100,000 employees, with presence across 38 countries, it has multi-billion-dollar revenue. The Group was founded over a hundred years ago by Shri P.D. Hinduja whose credo was "My duty is to work so that I can give."

The Group owns businesses in Automotive, Information Technology, Media, Entertainment & Communications, Banking & Finance Services, Infrastructure Project Development, Oil and Gas, Power, Real Estate, Trading and Healthcare. It also supports charitable and philanthropic activities across the world through the Hinduja Foundation.

Additional Information And Where To Find It

In connection with the proposed transaction, Quaker Chemical will file a proxy statement with the Securities and Exchange Commission. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THIS PROXY STATEMENT WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the proxy statement (when available) and other documents filed by Quaker Chemical with the Commission at the Commission's web site at <http://www.sec.gov>. Free copies of the proxy statement, once available, and of Quaker Chemical's other filings with the Commission may also be obtained from the Company by directing a request to: Victoria K. Gehris, Investor Relations, +1.610.832.4246.

Quaker Chemical Corporation
One Quaker Park, 901 E. Hector Street, Conshohocken, PA 19428-2380 USA
P: 610.832.4000 F: 610.832.8682
quakerchem.com



Quaker Chemical and its directors, executive officers and other members of its management may solicit proxies from its shareholders in favor of the transaction. Information concerning such persons who may be considered participants in the solicitation of Quaker Chemical's shareholders under the rules of the Commission will be set forth in the definitive proxy statement to be filed by Quaker Chemical with the Commission in connection with the transaction.

Cautionary Note On Forward-Looking Statements

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Other factors, including those related to the transaction, could also adversely affect us including, but not limited to:

- the risk that Quaker Chemical shareholders may not approve the proposed transaction;
- the risk that a required regulatory approval will not be obtained or is subject to conditions that are not anticipated or acceptable to us;
- the potential for regulatory authorities to require divestitures in connection with the proposed transaction, which would result in a smaller than anticipated combined business;
- the risk that a closing condition to the proposed transaction may not be satisfied in a timely manner;
- risks associated with the financing of the transaction;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the purchase agreement;
- potential adverse effects on Quaker Chemical's business, properties or operations caused by the implementation of the transaction;
- Quaker Chemical's ability to promptly, efficiently and effectively integrate Houghton International's operations into those of Quaker Chemical;
- risks related to the disruption of each Company's time from ongoing business operations due to the proposed transaction; and,
- the outcome of any legal proceedings that may be instituted against the companies following announcement of the merger agreement and transactions contemplated therein.

Therefore, we caution you not to place undue reliance on our forward-looking statements.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our 2016 Form 10-K, and in our quarterly and other reports filed from time to time with the Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason

Quaker Chemical Corporation
One Quaker Park, 901 E. Hector Street, Conshohocken, PA 19428-2380 USA
P: 610.832.4000 F: 610.832.8682
quakerchem.com



This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Contact Information - Quaker Chemical

Investors: Mary Dean Hall, Vice President, Chief Financial Officer and Treasurer, HallM@quakerchem.com, T.+1.610.832.4160

Media: Melissa McClain, Communications Manager, McClainM@quakerchem.com,
T. +1.610.832.7809

Contact Information – Houghton International

Media : Natalie Kay, HoughtonNews@houghtonintl.com

T.+1.215.850.4643

SOURCE Quaker Chemical Corporation

Quaker Chemical Corporation
One Quaker Park, 901 E. Hector Street, Conshohocken, PA 19428-2380 USA
P: 610.832.4000 F: 610.832.8682
quakerchem.com



*Quaker Chemical
to Combine with
Houghton
International*

April 5, 2017



Risks And Uncertainties Statement



Regulation G

The attached charts include Company information that does not conform to generally accepted accounting principles ("GAAP"). Management believes that an analysis of this data is meaningful to investors because it provides insight with respect to ongoing operating results of the Company and allows investors to better evaluate the financial results of the Company. These measures should not be viewed as an alternative to GAAP measures of performance. Furthermore, these measures may not be consistent with similar measures provided by other Companies. This data should be read in conjunction with the Company's most recent annual report filed on Form 10-K and most recent quarterly report filed on Form 10-Q, as filed with the SEC.

Forward-Looking Statements

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Other factors, including those related to the transaction, could also adversely affect us including, but not limited to:

- the risk that Quaker shareholders may not approve the proposed transaction;
- the risk that a required regulatory approval will not be obtained or is subject to conditions that are not anticipated or acceptable to us;
- the potential for regulatory authorities to require divestitures in connection with the proposed transaction, which would result in a smaller than anticipated combined business;
- the risk that a closing condition to the proposed transaction may not be satisfied in a timely manner;
- risks associated with the financing of the transaction;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the purchase agreement;
- potential adverse effects on Quaker Chemical's business, properties or operations caused by the implementation of the transaction;
- Quaker Chemical's ability to promptly, efficiently and effectively integrate Houghton International's operations into those of Quaker Chemical;
- risks related to the disruption of each company's time from ongoing business operations due to the proposed transaction; and,
- the outcome of any legal proceedings that may be instituted against the companies following announcement of the merger agreement and transactions contemplated therein.

Therefore, we caution you not to place undue reliance on our forward-looking statements.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our 2016 Form 10-K, and in our quarterly and other reports filed from time to time with the Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason.

This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

- Transaction Overview
- Houghton International Background
- Strategic Rationale
- Quaker + Houghton = A Compelling Combination
- Financing and Cash Flow Summary
- Timing / Conclusion

Transaction Overview



Purchase Price and Structure	<ul style="list-style-type: none">▪ Houghton shareholders to receive \$172.5 million in cash and 24.5% (~4.3 million shares) of Quaker; Quaker will assume Houghton's net debt of approximately \$690 million▪ Represents an enterprise value of approximately \$1.42 billion^(a)▪ Represents a transaction multiple (purchase price vs 2016 adjusted EBITDA) of 11.8x pre-synergies and 8.6x with run-rate synergies^{(a)(b)}
Leadership, Governance and Ownership	<ul style="list-style-type: none">▪ Michael Barry will be the Chairman and CEO of the combined company▪ Quaker Board will increase from 9 directors to 12; the Hinduja Group will nominate 3▪ Pro forma equity ownership of 75.5% existing Quaker shareholders and 24.5% Houghton shareholders
Financing and Leverage	<ul style="list-style-type: none">▪ Quaker has secured \$1.15 billion in committed financing from Bank of America and Deutsche Bank to support the transaction▪ Leverage of ~3.7x net debt to 2016 adjusted EBITDA at close; ~3.1x with run-rate synergies^{(b)(c)}▪ Attractive pricing and terms; cost of debt ~3% at today's rates
Conditions to Close	<ul style="list-style-type: none">▪ Approval of Quaker shareholders▪ Regulatory approvals in U.S., Europe and Asia Pacific▪ Customary closing conditions▪ Expected closing Q4 2017 to Q1 2018

(a) Based on Quaker's 10 day Volume Weighted Average Price ("VWAP") as of March 31, 2017 of \$129.70

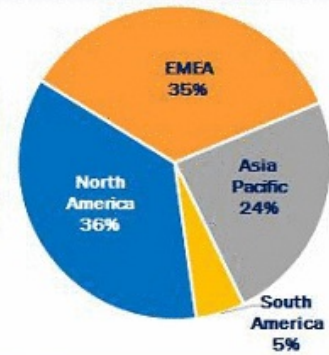
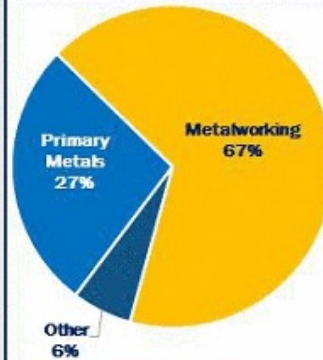
(b) Assumes \$45 million of run-rate synergies

(c) Assumes \$950 million of new debt issued to fund transaction; estimated \$965 million total debt at close

Houghton International: A Global Leader In Metalworking Fluids And Services



- Founded in 1865 as E.F. Houghton & Co.
- Corporate headquarters in Valley Forge, PA
- A global leader in advanced metalworking fluids and services
- Leading positions in specialty lubricants and hydraulic fluids to the metals, coatings and offshore drilling markets, selling into 88 countries
- 15 manufacturing facilities in 10 countries across 5 continents
- Privately owned by the Hinduja Group, a leading family-led enterprise with diversified global operations



Key Facts	
Sales	\$767 million
Adjusted EBITDA	\$120 million
% adjusted EBITDA margin	16%
Headquarters	Valley Forge, PA
Employees	~2,000 in 33 Countries

A Combination of Two Similar Companies in Businesses We Know

Strategic Rationale



Strong Talent and Cultural Fit	<ul style="list-style-type: none">▪ Combined 250 years dedicated to customers in these unique industries▪ Two talent-rich organizations with similar core values▪ Shared customer intimate business model
Increases Size and Scale	<ul style="list-style-type: none">▪ Combined Company has ~2x sales and ~2.5x adjusted EBITDA of Quaker▪ Scalable infrastructure will drive operating margin improvements
Accelerates Growth Opportunities	<ul style="list-style-type: none">▪ Enhances our ability to expand in higher growth markets and geographies▪ Complementary products and services offer significant cross-selling opportunities
Achieves Significant Cost Synergies	<ul style="list-style-type: none">▪ Estimated annual cost synergies of \$45 million (~40% of Houghton adjusted EBITDA)▪ Transaction expected to be accretive to adjusted EPS in year 1
Balanced Capital Structure Approach	<ul style="list-style-type: none">▪ Using debt and equity to optimize leverage while managing risk▪ ~3.7x net debt/adjusted EBITDA at close; ~3.1x with run-rate synergies of \$45 million▪ Balancing debt structure with cash flow to reduce leverage to ~2.5x within 2 years
Strong Free Cash Flow	<ul style="list-style-type: none">▪ Each Company generates strong free cash flow▪ Combined cash flow generation supports expedited debt reduction and continued dividends

Consistent with Quaker's M&A Growth Strategy



Quaker + Houghton = A Compelling Combination

Competitive Advantage: People Make The Difference

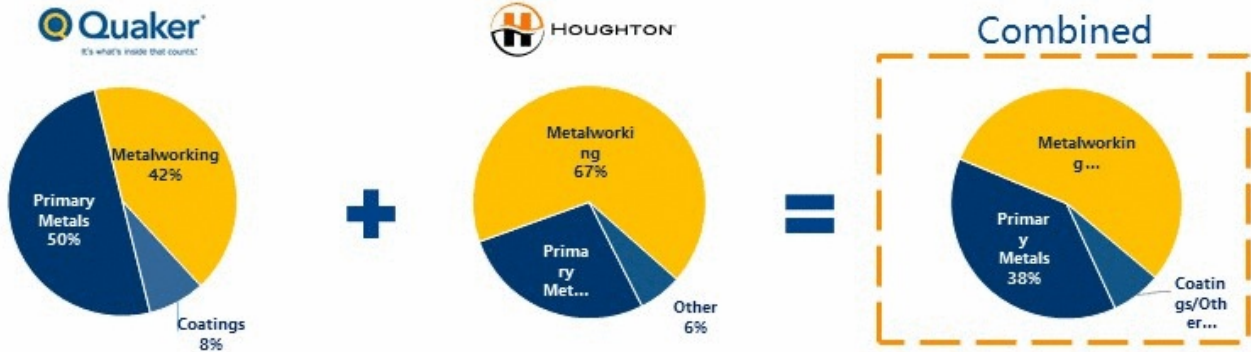


- Value-added sales process requires technical, highly trained associates with deep industry knowledge
- Combination brings together two talent-rich companies committed to the industries served
- Each company brings customer relationships developed over decades
- Broad and deep knowledge over expanded global footprint enables further growth

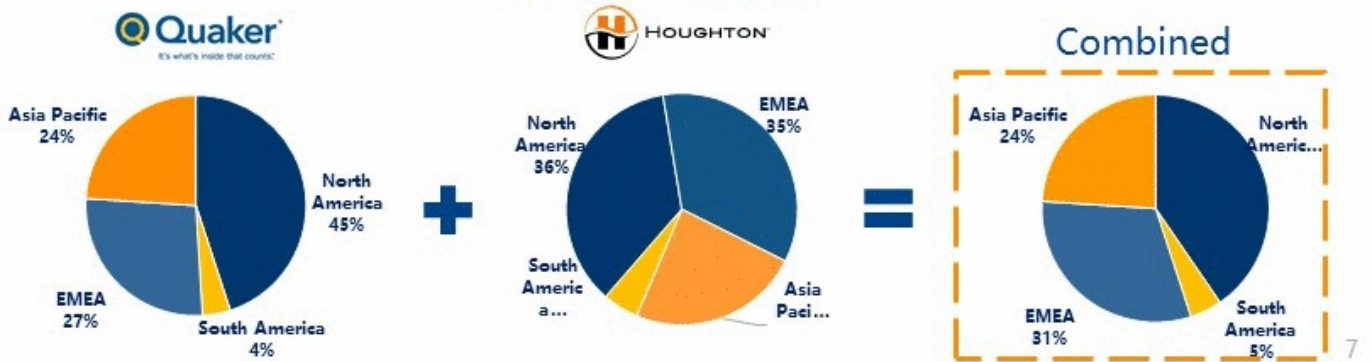
Unsurpassed Customer Commitment and Industry Expertise

Diversified Product And Geographic Profile It's what's inside that counts.

Sales By Product Type



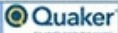
Sales By Geography



Highly Synergistic Footprint



★ Q+H corporate headquarters
 ●  Quaker
●  HOUGHTON

Global facilities	North America	South America	EMEA	Asia Pacific	Total
 Quaker	8	1	6	4	19
 HOUGHTON	6	1	4	4	15

Enhanced Global Scale with 34 Global Facilities Supporting ~15,000 Customers

Accelerated Revenue Growth: Expands Cross-Selling Opportunities



Common Products	Quaker <small>It's what's inside that counts.</small>	Houghton	Complementary Products	Quaker <small>It's what's inside that counts.</small>	Houghton
Forming Fluids	✓		Specialty Greases	✓	+
Metal Cutting and Deformation	✓		Offshore Control Hydraulics	+	✓
Corrosion Protection Fluids	✓		High Pressure Die Casting	✓	+
Fluid Power	✓		Heat Treat Quenchants	+	✓
Industrial Process Cleaners	✓		Mining	✓	+
Food and Beverage Can Processing	✓		Metal Finishing	+	✓
			Surface Treatment	✓	+
			Bio-Based Lubricants	✓	+

✓ = common product

+ = cross-selling opportunity

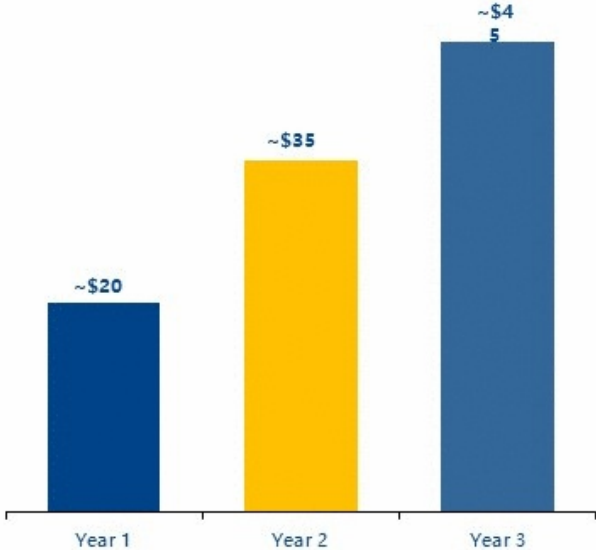
~14,000 Customers Unique To Quaker Or Houghton Creates Significant Cross-Selling Opportunities

Significant Cost Synergies



Synergy Realization Timing

(\$ in millions)



Sources of Synergy

- Manufacturing footprint optimization
- Raw material purchasing
- Freight / warehousing
- Ester production
- Headcount reductions
- Non-labor SG&A
- Optimize IT platforms

Readily Achievable Cost Synergies

Enhanced Financial Profile



<i>(\$ in millions)</i>	Quaker <small>It's what's inside that counts.</small>	HOUGHTON	Combined including synergies ^(a)	Δ vs. Quaker standalone
2016 Sales	\$747	\$767	\$1,514	+2x
2016 Adjusted EBITDA	\$107	\$120	\$272	+2.5x
2016 Adjusted EBITDA margin	14%	16%	18%	+4% pts
2016 FCF margin ^(b)	13%	14%	17%	+4% pts
2016 FCF conversion ^(c)	91%	92%	93%	+2% pts

- (a) Assumes \$45 million of synergies in adjusted EBITDA
- (b) Calculated as adjusted EBITDA – CAPEX as a percent of sales
- (c) Calculated as adjusted EBITDA – CAPEX as a percent of adjusted EBITDA

Financing Overview

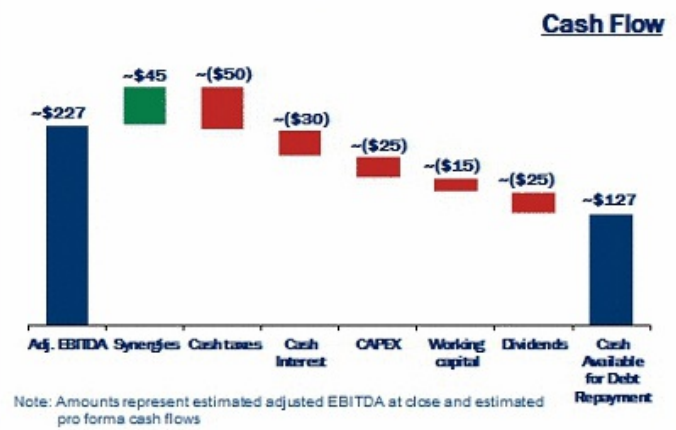
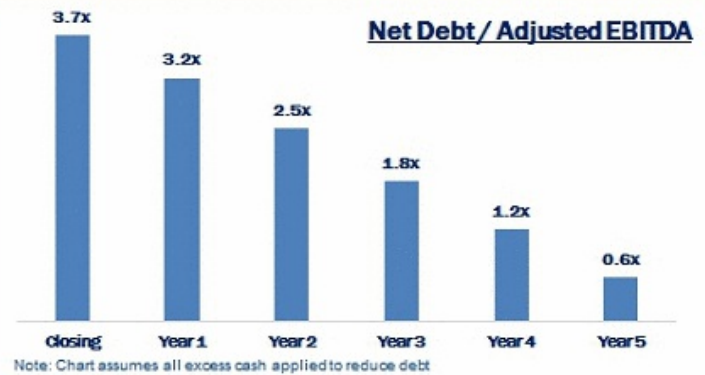


- Committed \$1.15 billion from Bank of America and Deutsche Bank
- Plan to syndicate bank facility in next 30-60 days
 - \$400 million revolver (~\$200 million funded at close)
 - \$575 million Term Loan A
 - \$175 million (euro-equivalent) Term Loan A
- \$950 million in new debt to finance transaction
 - \$172.5 million in cash, ~\$690 million refinancing of Houghton net debt, refinancing of existing Quaker debt, and fees and expenses
- \$200 million undrawn revolver provides additional liquidity
- Attractive cost of debt and terms
 - Libor + 200 bps at close; ~3% at today's rates

Capital Allocation: Reducing Debt Becomes A Priority



- Strong Free Cash Flow generation supports rapid debt reduction and balanced capital allocation approach:
 - Focus on deleveraging to 2x - 2.5x adjusted EBITDA ratio
 - Combined company has asset-lite profile with expected capex of ~1.5% of sales
 - Pay dividends consistent with Quaker's practice over the past 45 years
 - Continue acquisitions when leverage and liquidity improve



Closing Process And Timing



Quaker + Houghton: A Value-Creating Combination



- ✓ Strong Talent and Cultural Fit
- ✓ Increases Size and Scale
- ✓ Accelerates Growth Opportunities
- ✓ Achieves Significant Cost Synergies
- ✓ Balanced Capital Structure Approach
- ✓ Strong Free Cash Flow

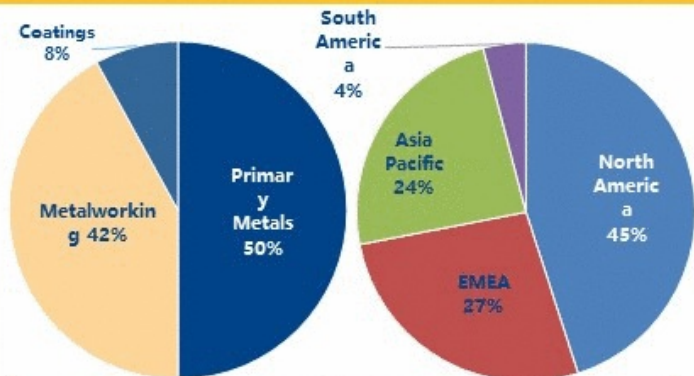


Appendix

Quaker Chemical: A Global Leader In Specialty Lubricants



- Founded in 1918
- Corporate HQ in Conshohocken, PA
- Leading positions in specialty lubricants to the metals, coatings and fluid markets
- 36 locations in 25 countries
- R&D Centers Globally: 2016 Spend \$23M
- Serving over 2,500 customers globally



Key Facts	
Sales	\$747 million
Adjusted EBITDA	\$107 million
% <i>adjusted EBITDA margin</i>	14%
Headquarters	Conshohocken, PA
Employees	~ 2,000

Quaker is a leading provider of customized solutions and technology-driven specialty chemical products for metals processing

2016 Adjusted EBITDA Reconciliation



(\$ in millions)

Net income attributable to Quaker Chemical Corporation	\$61
Net interest expense	1
Tax expense on income before equity in net income of associated companies	23
Depreciation	13
Amortization	7
EBITDA	\$105
Equity income in a captive insurance company	(2)
Transaction-related expenses	2
Full-year impact of Lubricor acquisition	2
Other ^(a)	(0)
Adjusted EBITDA	\$107

(a) Other includes a charge related to the inventory fair value adjustment in the Lubricor acquisition offset by a net credit due to restructuring and cost streamlining activities

(b) Other includes a charge related to a legal settlement and a charge related to the inventory fair value adjustment in the Wallover acquisition offset by a gain on the sale of an asset



(\$ in millions)

Net loss attributable to Houghton International	(\$37)
Net interest expense	50
Tax benefit on loss before equity in net income of associated companies	(5)
Depreciation	11
Amortization	44
EBITDA	\$63
Cost reduction activities	4
Transaction-related expenses	3
Impairment of goodwill and intangible assets	41
Management fees and expenses to owners	3
Non-income tax settlement expense	2
Full-year impact of Wallover acquisition	3
Other ^(b)	1
Adjusted EBITDA	\$120

Additional Information Reference



In connection with the proposed transaction, Quaker will file a proxy statement with the Securities and Exchange Commission. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THIS PROXY STATEMENT WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the proxy statement (when available) and other documents filed by Quaker with the Commission at the Commission's web site at <http://www.sec.gov>. Free copies of the proxy statement, once available, and of Quaker's other filings with the Commission may also be obtained from the Company by directing a request to: Victoria K. Gehris, Investor Relations, 610.832.4246.

Quaker and its directors, executive officers and other members of its management may solicit proxies from its shareholders in favor of the transaction. Information concerning such persons who may be considered participants in the solicitation of Quaker's shareholders under the rules of the Commission will be set forth in the definitive proxy statement to be filed by Quaker with the Commission in connection with the transaction.



Mike Barry Video Transcript

As you have heard by now, we have entered into an agreement to combine with Houghton International. I believe this is a great opportunity for both businesses, and that this integration will create a stronger, more diverse, new company that can deliver more to our customers and shareholders. This combination will greatly broaden our product portfolio, service capabilities, industry knowledge, and R&D expertise globally. In addition, I expect that it will accelerate new product development and enable growth in key markets and geographies. I'd like to take a few minutes to talk to you about the announcement and what it means for us over the coming months.

For those of you who aren't familiar with Houghton, they are a global company that is over 150-years-old delivering advanced metalworking fluids and services. Headquartered in Valley Forge, Pennsylvania, USA, they employ 2000 Associates in 33 countries. Once combined with Houghton, we will double our size, enhance our product and service offerings and global reach, and greatly broaden our ability to serve our customers.

Houghton's primary businesses serve the automotive, aerospace, primary metals, metalworking fluids, mining, machinery, offshore, and beverage industries. They have over 15,000 customers around the world, and have built a strong reputation as a trusted, long-term partner. These characteristics complement Quaker's core market approach – positioning us to better assist our customers through additional capacity, and by broadening our range of value-added business solutions.

Houghton has a broad product offering that addresses a full range of customer applications. Both Quaker and Houghton have abundant product and application expertise, complementary technology, and, most importantly, talented associates with customer-centric cultures. By making the most of these shared strengths, we broaden our product portfolios — which will enhance our ability to serve our customers and better position us for continued growth. And as the Chairman and CEO of this new combination, it is my intent that we will work together to capitalize on our joint best practices, which are inherent in the long successful histories of both companies.

With all of this being said, here are what I see as the key benefits of forming one company:

First, we will expand and grow our business. This expansion – whether it be through more products, broadened capabilities, a larger global footprint, or anything else that comes from combining the businesses – will enhance our ability to reach and serve our customers and provide value to shareholders.

Second, once we integrate the two businesses, we will have the ability to improve our performance, increase the speed of R&D innovation, learn from best practices of both companies, and better use the resources we have. Both companies bring an exceptional set of technical skills and expertise to the combined company, and we will work to maximize the value this combination brings.



Third, of course there are financial objectives associated with this deal, including both improved bottom-line results from increased sales, as well as cost savings we anticipate from combining these two companies. As mentioned in our press release, which you can find on quakerchem.com, we anticipate there will be approximately \$45 million in cost savings after the deal closes, driven primarily by efficiencies related to raw materials and supply chain, streamlining the combined organizations, and other third-party cost reductions. It's important to remember that no changes will be made until after closing, which I anticipate will be by Q4 2017 or Q1 2018.

Again, it's important to recognize that the process of combining our companies will take some time to complete.

As you know, today we announced the signing of an agreement which proposes to combine Houghton and Quaker. Because of the size of the transaction, it is subject to customary closing conditions, including regulatory approvals and an affirmative vote from Quaker shareholders. We anticipate the process of closing the deal to be completed by Q4 2017 or Q1 2018. So while we have announced an agreement to combine with Houghton, we will remain completely separate companies and each will operate autonomously until the deal actually closes. So it's business as usual right now.

During this time we are, however, permitted to plan for integration. That means that it's okay for a few of us to collaborate on some integration plans, but the actual integration of operations must wait for closing. There will be no changes implemented until after closing. At that time, we will begin the integration process, which itself may take a year or even more to complete.

I believe this combination is a great opportunity for our two great companies. I want to thank each of you for your commitment to our company, and our shared history of excellent performance. Without your support and achievements, we would not be in the position to make this exciting announcement today. There are five key things I want each of us to remember as we prepare for and progress through this transaction:

First, it's important for all associates in both companies to remember that until the deal closes, we must operate "business as usual," and it's critical that we continue to operate as separate, stand-alone companies.

Second, as I've already mentioned, there will be no changes made until after closing which is anticipated in Q4 2017 or Q1 2018, and it will take time after that to put all changes in place.

Third, as with any merger or acquisition, these activities can be distracting, but we must remain focused on achieving our 2017 goals.

Fourth, no matter what is going on in our business, there can be no compromise on safety, and we will continue to act with integrity, treat others with respect, and use all of our core values to govern our decisions and behavior.

Fifth and finally, my goal, and the goal of the entire Management Executive Committee, is to ensure that we communicate well during this process. In the coming days, we will be scheduling meetings and webinars to further discuss the transaction. I would like each of you to take the time to participate in these critical sessions. We will do our best to answer your questions, but there will be some that we cannot answer yet. We will work through this together, and we will communicate the progress of the project at least monthly. You will receive these updates from your manager, the MEC, and through a dedicated section on QNET.

Thank you again for your commitment and support. Have a good day.

###



ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed transaction, Quaker will file a proxy statement with the Securities and Exchange Commission. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THIS PROXY STATEMENT WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the proxy statement (when available) and other documents filed by Quaker with the Commission at the Commission's web site at <http://www.sec.gov>. Free copies of the proxy statement, once available, and of Quaker's other filings with the Commission may also be obtained from the Company by directing a request to: Victoria K. Gehris, Investor Relations, +1.610.832.4246.

Quaker and its directors, executive officers and other members of its management may solicit proxies from its shareholders in favor of the transaction. Information concerning such persons who may be considered participants in the solicitation of Quaker's shareholders under the rules of the Commission will be set forth in the definitive proxy statement to be filed by Quaker with the Commission in connection with the transaction.



CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Other factors, including those related to the transaction, could also adversely affect us including, but not limited to:

- the risk that Quaker shareholders may not approve the proposed transaction;
- the risk that a required regulatory approval will not be obtained or is subject to conditions that are not anticipated or acceptable to us;
- the potential for regulatory authorities to require divestitures in connection with the proposed transaction, which would result in a smaller than anticipated combined business;
- the risk that a closing condition to the proposed transaction may not be satisfied in a timely manner;
- risks associated with the financing of the transaction;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the purchase agreement;
- potential adverse effects on Quaker's business, properties or operations caused by the implementation of the transaction;
- Quaker's ability to promptly, efficiently and effectively integrate Houghton's operations into those of Quaker;
- risks related to the disruption of each Company's time from ongoing business operations due to the proposed transaction; and,
- the outcome of any legal proceedings that may be instituted against the companies following announcement of the merger agreement and transactions contemplated therein.

Therefore, we caution you not to place undue reliance on our forward-looking statements.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our 2016 Form 10-K, and in our quarterly and other reports filed from time to time with the Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason.

This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Houghton at a Glance



Founded in *1865* and currently headquartered in Valley Forge, PA

Houghton **formulates, manufactures** and **markets** Metalworking Fluid products and services



Company Snapshot

- 11 manufacturing facilities in 9 countries across 5 continents
- Over 2000 associates in 33 countries with sales in 88 countries

Global Headquarters

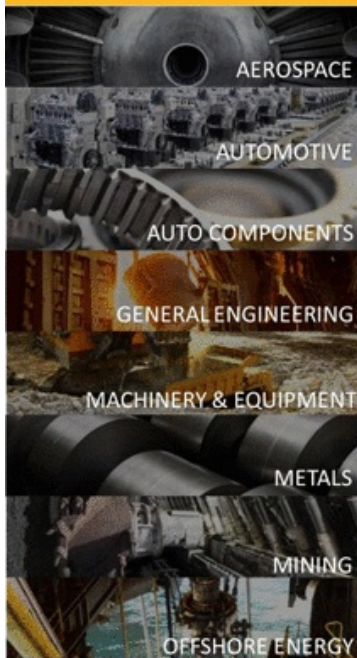
1 Valley Forge, PA, USA

Houghton Production Facilities

- | | |
|-------------------------|-----------------------|
| 2 Detroit, MI | 3 Carrollton, GA |
| 4 Sao Paulo, Brazil | 5 Manchester, England |
| 6 Turin, Italy | 7 Dortmund, Germany |
| 8 Shanghai, China (2) | 9 Barcelona, Spain |
| 10 Melbourne, Australia | 11 Bangkok, Thailand |

Internal Use Only. © 2017, Quaker Chemical Corporation. All rights reserved.

Houghton Customers



- **Over 15,000 customers across a broad range of end markets**
- **Long-standing relationships, often spanning decades**
- **Strategically positioned globally to grow with customers in emerging markets**

Internal Use Only. © 2017, Quaker Chemical Corporation. All rights reserved.



Metal Removal

Lubricates and cools the contact point between the metal surface and work tool (e.g. cutting, grinding or drilling operation)



Forming

Lubricates and cools in processes involving changing the shape of metal (e.g. drawing, stamping, rolling, casting, forging or bending)



Specialty Hydraulic Fluids

Used for hydraulic machine operation



Heat Treatment

Alters metal properties via controlled heating and cooling processes (e.g. hardness, stiffness or elasticity)

Metal & Surface Finishing

Chemicals for anodizing architectural aluminum surfaces and conversion coatings for metal surfaces



Metal Protection

Temporarily protects metal from undesired effects caused by exposure to water, air or other substances



Metal Cleaning

Removes soils and other contaminants from equipment and metal surfaces



FLUIDCARE®

Full complementary suite of services to help reduce and sustain total operating costs



Strategic Rationale for Combining



Expansion & Growth

Enhances our ability to serve customers

- Expands products and services available to customers, adding new and complementary technology and services
- Creates a larger base of resources to serve customers
- Fills gaps in geography, application knowledge, and global supply chain

Performance

Optimizes our operations

- Provides scale, and opportunity to optimize manufacturing
- Brings a greater depth of resources to accelerate innovation
- Functional improvements, sharing best systems and practices across the combined organization

Financial

Creates efficiencies and improves results

- Makes the most of both companies' strengths to create synergies
- Improved operating margins
- Good cash generation to enable further investment

Sequence of Events



March 2017

Signing

- » Announcement
- » Official Filings with SEC, FTC, and others
- » Begin Regulatory Review Period



Regulatory Review Period

- » Government Review
- » Integration Planning
- » Shareholder Approval



Likely Q4 2017 or Q1 2018

Closing

- » Regulatory Approval
- » Close
- » Integration Begins

Key Thoughts



- » Operate with the mindset of “business as usual”
- » Any changes will occur after closing
- » Stay focused on achieving our 2017 goals
- » No compromise on any of our core values:
 - Customer Commitment
 - Safety
 - Integrity
 - Teamwork
 - Respect
 - Diversity & Inclusion
 - Excellence
 - Entrepreneurship
- » We will keep you informed



Leadership

Frequently Asked Questions

General Information	3
What is happening?	3
What kind of business is Houghton?	3
Why are we combining with Houghton?	3
How does this differ from our other mergers and acquisitions?	4
Who acquired who?	4
When will this happen?	4
What is the difference between signing and closing?	4
What are the positive outcomes we expect?	5
What is the vision for the combined companies?	5
About the New Combined Company	6
Will we operate as one company or keep Houghton as a separate subsidiary?	6
Will the new company be called Quaker?	6
Will we retain the Houghton and Quaker brands?	6
The press release mentions \$45 Million in cost savings, how was that number calculated?	6
Will there be an impact to associates' jobs?	6
Will we close any locations?	6
Will our corporate headquarters remain in Conshohocken, USA?	7
Who will lead the new business?	7
When will we find out about any changes planned as a result of this deal?	7
Customers & Suppliers	8
What should I say to my customers who ask about the proposed combination?	8
Who can I contact to ask questions about the integration planning?	8
How will the proposed new company affect existing customer / supplier relationships and engagement?	8
For distributors, do we plan any changes in the route to market strategy where there is overlap in territory?	8
Are existing agreements (contracts, quality agreements, etc.) with Quaker still valid?	9
How does the combination affect future ordering, invoicing, and payment processes for customers and suppliers?	9
How will customers / distributors find out about the deal?	9
Guidelines & Expectations	10
What is expected of us during this transition time?	10
Prior to the close of the deal, will associates in Quaker and Houghton interact with each other?	10
Where can I find more information about the deal?	10
What should I do if I am contacted by the media?	10

General Information

What is happening?

We are excited to announce that we have entered into a definitive agreement to combine with Houghton, creating a global business uniquely positioned with a broader range of innovative solutions, services, and technical expertise.

What kind of business is Houghton?

Houghton, a more than 150-year-old business with global headquarters in Valley Forge, Pennsylvania, USA, operates in many of the same industries we serve including metalworking, primary metals, fluid power, and industrial lubricants. Houghton's headquarters are approximately 20 minutes away from our own global headquarters in Conshohocken. Quaker and Houghton are two great, historic companies dedicated to the industries we serve; as such, we share many of the same core competencies, core values, and an unwavering dedication to customers.

Why are we combining with Houghton?

We are combining the businesses because Houghton is an excellent strategic fit for Quaker and enhances our solutions portfolio. We will improve our ability to serve our customers, broaden our product development capabilities, and further position ourselves for global growth.

Quaker's and Houghton's complementary product solutions and service capabilities will allow the new company to better serve customers in the automotive, aerospace, heavy equipment, metals, mining, machinery, marine, offshore, and container industries. The business will create near-term growth through immediate cross-selling opportunities, and will have one of the most expansive metalworking platforms in the manufacturing space. Houghton's areas of focus include metal removal, metal forming, corrosion protection, and heat treatment fluids.

By combining resources, the new company will increase the breadth of its innovative technology, accelerate its product development capabilities, speed its time to market, and diversify its long-term R&D pipeline.

We will also strengthen our customer-intimate business model with an expanded service offering. With a broader products and solutions portfolio, combined with the industry expertise of our two talented associate bases, we will be better-positioned to deliver additional value to our customers.

How does this differ from our other mergers and acquisitions?

Due to its size, this transaction is subject to shareholder and regulatory approvals before it can close. What this means, is that although we have announced an agreement to combine with Houghton, we must operate as completely separate companies until the deal closes. No integration can or will take place until after closing. During the period leading up to the closing of the deal, we will be making plans for how to integrate these two.

The size and scale of the Houghton business also brings differences to the way Quaker has handled prior transactions. Houghton has approximately 2,000 associates around the world and unlike some past deals where companies operated as wholly owned subsidiaries, Houghton and Quaker will become fully integrated. The scale and efforts involved will require a great deal of time and effort to ensure we optimize the best of both companies going forward.

After the close, we will integrate the businesses together. As one company, we expect both businesses will learn from each other – taking the best practices, our combined learning, and utilizing the best of our talent to build a truly great, new company. Houghton brings a tremendous amount of expertise and new technologies that will expand our existing portfolio, in areas such as: neat cutting oils, water-based metalworking fluids, heat treatment, forging, non-ferrous rolling and a strong offshore business. The Houghton portfolio brings us unique and complementary products immediately expanding our existing capabilities.

Who acquired who?

In the financial community, this will be seen as Quaker acquiring Houghton; however, we view this as a combination of two great companies with a similar number of associates, geographic footprints, and revenues. Therefore, in all of our communications it will be referred to as a combination of our two great companies rather than an acquisition. We believe it is important that both Quaker and Houghton associates see it this way.

When will this happen?

We expect the deal to close by the end of calendar year 2017 or the first quarter of 2018. We will begin integration efforts shortly thereafter.

What is the difference between signing and closing?

Today we announced the signing of an agreement which proposes to combine Houghton and Quaker, and we will be making our official filings in the U.S. Because of the size of the deal, this transaction is subject to Quaker shareholder and regulatory approvals before it can close. During the regulatory review period, government agencies review proposed transactions such as ours under applicable antitrust laws, such as the U.S. Hart-Scott-Rodino Antitrust Improvements Act.

We expect this deal to close at the end of 2017 or early 2018, once all of the closing conditions are satisfied. So while we have announced an agreement to combine with Houghton, we will remain completely separate companies and each will operate autonomously until the deal closes.

During this time we are, however, permitted to plan for integration. That means that we can have close collaboration related to the integration planning but any merging of our operations must wait for closing. This means that there will be no organization changes until after the close.

What are the positive outcomes we expect?

This is a tremendous opportunity for both businesses; one that will create a stronger combination of two great companies. As a result of this combination, we will broaden our product portfolio, service capabilities, industry knowledge, and R&D expertise globally. In addition, it will allow us to accelerate new product development as well as growth in key verticals and geographic areas.

This new combination will create a bigger position for the combined company, increasing the number of customer accounts, expanding our geographic footprint, and the scale of what is possible together.

What is the vision for the combined companies?

By combining with Houghton, we will bring together over 250 years of experience in the specialty chemical industry. Together, we plan to create a global business that is uniquely positioned with a broader range of innovative solutions, services, and technical expertise.

About the New Combined Company

Will we operate as one company or keep Houghton as a separate subsidiary?

Once the deal closes, we will begin integration in order to operate as one company.

Will the new company be called Quaker?

This will be evaluated as part of the integration planning process.

Will we retain the Houghton and Quaker brands?

Both companies' product brands and markets will be evaluated as part of the integration planning process.

The press release mentions \$45 Million in cost savings, how was that number calculated?

As part of the preliminary analysis of the deal, the project team identified broad ranges of cost savings that are estimated at \$45 million. We expect these savings to be driven primarily by efficiencies of combining the businesses driven primarily by raw materials and supply chain savings, streamlining of the combined organizations, and other third party cost reductions. During integration planning, we will define the specific actions necessary to achieve these savings.

It is important to remember that no changes will be made until after closing, and we anticipate that it will take up to two years to put all changes in place.

Will there be an impact to associates' jobs?

Yes, we do expect there to be an impact to some positions in the combined company. There are approximately 2,000 full time Houghton associates in 33 countries around the world, doubling our size and expanding our footprint. Quaker has approximately 2,000 associates in 25 countries around the world. Some reductions in workforce are expected as we streamline the new organization. None of these changes will occur until after closing and may take months or even years to finalize and put into place.

Will we close any locations?

Yes, we expect the closure of some locations. These will be determined as part of the integration planning process.

Will our corporate headquarters remain in Conshohocken, USA?

While no change is expected to Quaker's corporate headquarters, the entire global footprint will be reviewed as part of the integration planning process.

Who will lead the new business?

Mike Barry will continue as Chairman and CEO. The full management structure will be reviewed as part of the integration planning process.

When will we find out about any changes planned as a result of this deal?

Decisions made during the integration planning period will be announced at a time closer to or after closing.

Customers & Suppliers

What should I say to my customers who ask about the proposed combination?

We will be reaching out to customers to inform them of this announcement, and they will have access to the press release. We should reinforce that they will continue to see the same level of service from us, and that until the deal closes, both Quaker and Houghton will operate as separate, stand-alone organizations as they were before the agreement was signed.

No one should speculate on anything outside of the press release or other public communications. If you have specific questions that you cannot answer for your customer, please direct them to your manager or Management Executive Committee (MEC) member.

Who can I contact to ask questions about the integration planning?

Only specified personnel responsible for planning activities under established confidentiality procedures will be involved in the integration planning. For any questions you may have, please reach out to your Quaker business contact.

How will the proposed new company affect existing customer / supplier relationships and engagement?

Until the deal closes, Quaker and Houghton will remain completely separate companies and each will operate autonomously. No integration can or will take place until closing, although we will be making plans for how to integrate the new business during the time leading up to the deal closure. Quaker associates are expected to continue to provide the same level of customer service as they always have.

Once closing occurs, we expect to deliver increased customer value, as well as potential for new or increased business opportunities for our highest-performing suppliers. We will review the supply bases of both organizations and determine the best way to support the overall supply chain strategy of the combined company. Suppliers should continue to support Quaker business just as they have been doing. Following the close, our procurement teams will complete the integration of Quaker and Houghton, resulting in a new, combined business model.

For distributors, do we plan any changes in the route to market strategy where there is overlap in territory?

Each company's respective network of distributors may overlap to some extent. We greatly value our distribution partners and will work to create positive solutions once the transaction is closed. This will be reviewed as part of the integration planning process. We will reach out to our distribution partners as soon as possible, but must caution that in the interim between signing and close, discussions will be limited.

Are existing agreements (contracts, quality agreements, etc.) with Quaker still valid?

Yes. Customers, suppliers, and distributors should continue to operate under the existing terms of all current agreements. If there are any changes necessary to contracts, we will advise them as soon as a change is made.

How does the combination affect future ordering, invoicing, and payment processes for customers and suppliers?

Customers and suppliers should continue to follow the instructions on purchase orders and relevant contracts. Any change in process will be promptly communicated to them at the time of the change.

How will customers / distributors find out about the deal?

We will issue a press release for broad distribution. We will also be contacting a large portion of our customer base directly in the 48 hours after the signing is announced.

Customers should share any questions or concerns they have with their Quaker business contact. We will continue to update them on our progress and communicate any developments well in advance of implementation.

Guidelines & Expectations

What is expected of us during this transition time?

Associates should operate with the mindset of “business as usual.” We will continue to operate as a separate, stand-alone organization, independent of Houghton, as we have before the agreement was signed. We should continue to do business with our core values in mind, and especially remain focused on executing on our 2017 goals. Until the deal closes, Quaker and Houghton will remain completely separate companies and each will operate autonomously. No integration of the companies can or will take place until closing, although we will be making plans for how to integrate the new business during the time leading up to the deal closure. Only certain associates responsible for planning activities under established confidentiality procedures will be involved in the integration planning process.

Regardless of the business activity, our core values must always drive the way we do business. There should be no compromise on integrity, safety, or the inclusion of ideas. People will always be our most important asset, and we will continue to treat everyone with respect, and be open to learning from each other. We will continue to build relationships with our customers on the basis of Quaker’s strengths.

Prior to the close of the deal, will associates in Quaker and Houghton interact with each other?

Until the deal closes, Quaker and Houghton will remain completely separate companies and each will operate autonomously. No integration can or will take place until closing, although we will be making plans for how to integrate the new business during the time leading up to the deal closure.

Where can I find more information about the deal?

We will post regular updates to quakerchem.com and QNET as the project progresses. Additionally, you can contact your direct manager, or send an email to the address below with any questions you may have:

- General Associate Questions - Associate.Questions@quakerchem.com

What should I do if I am contacted by the media?

All media inquiries must be directed to the appropriate communications professionals within Quaker for review and proper vetting. If you are contacted by the media:

- **DO** say “I am not authorized to speak on behalf of the company, but the appropriate person will respond to your inquiry.”

- **DO** request their name, publication / outlet, and email / phone contact details. Forward this information to Melissa McClain at +1-610-832-7809 or mcclainm@quakerchem.com. **DO NOT** give them these contact details.
- **DO NOT** say “no comment” or attempt to hide. If they are filming on premises, please ask them politely but firmly to stop.
- **DO** contact legal or communications with any questions you have about this process.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed transaction, Quaker will file a proxy statement with the Securities and Exchange Commission. INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THIS PROXY STATEMENT WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the proxy statement (when available) and other documents filed by Quaker with the Commission at the Commission's web site at <http://www.sec.gov>. Free copies of the proxy statement, once available, and of Quaker's other filings with the Commission may also be obtained from the Company by directing a request to: Victoria K. Gehris, Investor Relations, +1.610.832.4246.

Quaker and its directors, executive officers and other members of its management may solicit proxies from its shareholders in favor of the transaction. Information concerning such persons who may be considered participants in the solicitation of Quaker's shareholders under the rules of the Commission will be set forth in the definitive proxy statement to be filed by Quaker with the Commission in connection with the transaction.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Other factors, including those related to the transaction, could also adversely affect us including, but not limited to:

- the risk that Quaker shareholders may not approve the proposed transaction;
- the risk that a required regulatory approval will not be obtained or is subject to conditions that are not anticipated or acceptable to us;
- the potential for regulatory authorities to require divestitures in connection with the proposed transaction, which would result in a smaller than anticipated combined business;
- the risk that a closing condition to the proposed transaction may not be satisfied in a timely manner;
- risks associated with the financing of the transaction;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the purchase agreement;
- potential adverse effects on Quaker's business, properties or operations caused by the implementation of the transaction;
- Quaker's ability to promptly, efficiently and effectively integrate Houghton's operations into those of Quaker;

- risks related to the disruption of each Company's time from ongoing business operations due to the proposed transaction; and,
- the outcome of any legal proceedings that may be instituted against the companies following announcement of the merger agreement and transactions contemplated therein.

Therefore, we caution you not to place undue reliance on our forward-looking statements.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our 2016 Form 10-K, and in our quarterly and other reports filed from time to time with the Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason

This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.



Quaker and Houghton to Combine

I'm pleased to announce that we have executed a definitive agreement to combine Quaker with Houghton International, bringing together our two great companies to create one global organization which is uniquely positioned to offer a broader range of innovative solutions, services, and technical expertise. This announcement marks a truly exciting day for both our companies.

Because of the size of the transaction, it is subject to customary closing conditions, including regulatory approvals and an affirmative vote from Quaker shareholders. We anticipate the process to be completed by the end of 2017 or early 2018. Until then, each company will continue to operate as separate businesses, same as before the agreement was signed.

The proposed combination of Quaker and Houghton represents the next phase of our evolution, and stays true to our vision of growing stronger in our core business. Quaker and Houghton are two highly complementary businesses, with more than 250 years of collective history. We believe that this combination creates tremendous value for our shareholders and customers. Both Quaker and Houghton have an abundance of product and application expertise, complementary technology, and, most importantly, a shared dedication to serving their customers. By bringing together the unique expertise of both our companies we will further enhance our ability to serve our customers, broaden our product portfolio, and further position ourselves for continual growth.

With the addition of approximately 2,000 Houghton associates in 33 countries around the world, this transaction will double our size and greatly expand our global footprint. In addition, the combined company will have one of the most expansive metalworking platforms in the market, with capabilities in metal removal, forming, corrosion protection, and heat treating fluids. As a result, our new company will be better able to serve our customer base and improve their overall performance.

During the regulatory review period, we will begin planning for a successful post-close integration. Once the transaction has closed, we will begin integrating operations which will apply the best practices from both our companies.

While it is too early to have all the answers about the potential new company, let me highlight a few key points:

- **We will operate our business as usual** - Until the deal closes, Quaker and Houghton will remain separate companies and operate autonomously. It is important to note that no organizational changes, because of this pending combination, can or will take place until after closing. We will, however, immediately begin our planning for the integration.
- **We will plan for cost savings** - As mentioned in our press release, we anticipate there will be \$45 Million in cost savings after the deal closes, driven primarily by efficiencies with raw materials and the supply chain, streamlining the combined organizations, and other third party cost reductions. It is important to remember that no changes will be made until after closing, and it will take up to two years to put all changes in place.



- **We must stay focused** - Despite the excitement and interest that will surely surround this announcement, I ask each of you to continue provide the same level of service that our customers expect from us. It is even more important now that we stay focused on achieving our 2017 objectives.
- **We will continue to be guided by our Core Values** – We will continue to use all our core values to govern our decisions and behavior. There can be no compromise on safety, and we will continue to act with integrity, and treat others with respect.
- **We will keep you informed** - My goal and the goal of the entire MEC is to continue to communicate well during this period before the close of this combination. Initially you will have questions that we may not be able to answer. We will work through this together, and will communicate our progress of the project at least monthly.

This combination is a great opportunity for our two great companies. I want to thank each of you for your commitment to our company and history of excellent performance. Without your support and achievements, we would not be in the position to make this exciting announcement today.

We look forward to a time when we can openly communicate Houghton associates as our colleagues from Houghton. In the meantime, be on the lookout for ongoing communications from your manager, the MEC, and through a dedicated section on QNET.

All the best,

A handwritten signature in black ink that reads 'Mike Barry'.

Mike Barry

Chairman, Chief Executive Officer & President



ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed transaction, Quaker will file a proxy statement with the Securities and Exchange Commission. **INVESTORS AND SECURITY HOLDERS ARE ADVISED TO READ THIS PROXY STATEMENT WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION.** Investors and security holders may obtain a free copy of the proxy statement (when available) and other documents filed by Quaker with the Commission at the Commission's web site at <http://www.sec.gov>. Free copies of the proxy statement, once available, and of Quaker's other filings with the Commission may also be obtained from the Company by directing a request to: Victoria K. Gehris, Investor Relations, +1.610.832.4246.

Quaker and its directors, executive officers and other members of its management may solicit proxies from its shareholders in favor of the transaction. Information concerning such persons who may be considered participants in the solicitation of Quaker's shareholders under the rules of the Commission will be set forth in the definitive proxy statement to be filed by Quaker with the Commission in connection with the transaction.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Other factors, including those related to the transaction, could also adversely affect us including, but not limited to:

- the risk that Quaker shareholders may not approve the proposed transaction;
- the risk that a required regulatory approval will not be obtained or is subject to conditions that are not anticipated or acceptable to us;
- the potential for regulatory authorities to require divestitures in connection with the proposed transaction, which would result in a smaller than anticipated combined business;
- the risk that a closing condition to the proposed transaction may not be satisfied in a timely manner;
- risks associated with the financing of the transaction;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the purchase agreement;



- potential adverse effects on Quaker's business, properties or operations caused by the implementation of the transaction;
- Quaker's ability to promptly, efficiently and effectively integrate Houghton's operations into those of Quaker;
- risks related to the disruption of each Company's time from ongoing business operations due to the proposed transaction; and,
- the outcome of any legal proceedings that may be instituted against the companies following announcement of the merger agreement and transactions contemplated therein.

Therefore, we caution you not to place undue reliance on our forward-looking statements.

For more information regarding these risks and uncertainties as well as certain additional risks that we face, you should refer to the Risk Factors detailed in Item 1A of our 2016 Form 10-K, and in our quarterly and other reports filed from time to time with the Commission. We caution you not to place undue reliance on these forward-looking statements, which are current only as of the date on which we issued this report. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason.

This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.