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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)

Filed by the Registrant ☒ Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to §240.14a-12

QUAKER CHEMICAL CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
AND PROXY STATEMENT

MEETING DATE
May 10, 2017

QUAKER CHEMICAL CORPORATION
One Quaker Park
901 E. Hector Street
Conshohocken, Pennsylvania 19428

Important Notice of Availability of Proxy Materials for Quaker Chemical Corporation's 2017 Annual Meeting of Shareholders to be held on May 10, 2017. The Notice of Meeting, Proxy Statement and 2016 Annual Report to Shareholders are available at www.proxyvote.com.

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Quaker

It's what's inside that counts.®

Notice of Annual Meeting of Shareholders

TIME:	8:30 A.M., local time, on Wednesday, May 10, 2017
PLACE:	Quaker Chemical Corporation One Quaker Park 901 E. Hector Street Conshohocken, Pennsylvania 19428
ITEMS OF BUSINESS:	(1) To elect three directors. (2) To hold an advisory vote on the compensation of our named executive officers as described in this proxy statement. (3) To hold an advisory vote on the frequency of the advisory vote on the compensation of our named executive officers. (4) To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm to examine and report on our financial statements and internal control over financial reporting for 2017. (5) To transact any other business properly brought before the meeting.
WHO MAY VOTE:	You can vote at the meeting and any adjournment(s) of the meeting if you were a shareholder of record at the close of business on March 3, 2017.
ANNUAL REPORT:	A copy of our Annual Report, which includes our Annual Report on Form 10-K for the year ended December 31, 2016, is enclosed.

It is important that your shares be represented at the meeting. You are cordially invited to attend the meeting in person. Whether or not you expect to attend in person, you are urged to complete, sign, date and return the enclosed proxy in the envelope we have enclosed for your convenience; no postage is required if mailed in the United States.

By Order of the Board of Directors,

Robert T. Traub
Vice President, General Counsel
and Corporate Secretary

Conshohocken, Pennsylvania
March 31, 2017

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PROXY STATEMENT

Proxy Statement

This proxy statement is being furnished to our shareholders in connection with the solicitation of proxies on behalf of our Board of Directors for use at our 2017 Annual Meeting of Shareholders, and at any and all adjournments of the meeting, for the purpose of considering and acting upon the matters referred to in the accompanying Notice of Annual Meeting of Shareholders and which are discussed below. The Annual Meeting of Shareholders will be held at our headquarters, located at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428, at 8:30 A.M., local time, on May 10, 2017. The terms "we," "our," "us," the "Company" and "Quaker," as used in this proxy statement, refer to Quaker Chemical Corporation.

This proxy statement, the accompanying form of proxy and a copy of our Annual Report, which includes our Annual Report on Form 10-K for the year ended December 31, 2016 are first being mailed to our shareholders on or about April 5, 2017.

Information Concerning the Annual Meeting

What matters will be voted on at the meeting?

At the meeting, shareholders will vote on four proposals:

- Election of three nominees to serve on our Board of Directors;
- Advisory vote on the compensation of our named executive officers as described in this proxy statement;
- Advisory vote on the frequency of the advisory vote on the compensation of our named executive officers;
- Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017; and
- Transaction of any other business properly brought before the meeting.

How does the Board recommend I vote on the proposals?

The Board recommends that you vote:

- FOR each of the three nominees named in this proxy statement;
- FOR approval, on a non-binding basis, of the Company's compensation of our named executive officers as described in this proxy statement;
- FOR every "THREE YEARS" as the frequency of future, non-binding shareholder advisory votes on compensation of our named executive officers; and
- FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017.

Who is entitled to vote?

Shareholders of record as of the close of business on March 3, 2017, the record date for the meeting, are entitled to notice of and to vote at the meeting and any adjournments of the meeting.

How do I cast my vote if I am a shareholder of record?

You can cast your vote:

- in person, by attending the Annual Meeting of Shareholders;
- via the Internet, by visiting www.proxyvote.com and following the instructions provided;
- by telephone, using the toll-free number listed on the proxy card; or
- by mail, if you mark, sign and date the proxy card enclosed with this proxy statement and return it in the postage-paid envelope provided.

How do I cast my vote if I am a beneficial owner of shares held in street name?

You can cast your vote:

- in person, by first obtaining a voting instruction form issued in your name from your broker and bringing that voting instruction form to the meeting, together with a copy of a brokerage statement reflecting your stock ownership as of the record date, the stock acquisition date and valid identification;
- via the Internet, by visiting www.proxyvote.com and following the instructions provided;
- by telephone, only if you agree with the voting rights provided on your voting instruction form, by using the toll-free number found on the voting instruction form; or
- by mail, if you mark, sign and date the voting instruction form and return it in the postage-paid envelope provided by your broker.

If I have given a proxy, can I revoke that proxy?

Your presence at the meeting will not revoke any proxy you may have given. If your shares are held in your own name, you may revoke your proxy at any time (to the extent it has not already been voted at the meeting), but a revocation will not be effective until it is received. Your proxy will be revoked (to the extent it has not already been voted at the meeting) if you:

- give written notice of the revocation to Quaker's Corporate Secretary, Robert T. Traub, One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428, or give electronic notice to Mr. Traub at traubr@quakerchem.com;
- submit a properly signed proxy with a later date; or
- vote in person at the meeting as described above.

If your shares are held in street name through a broker, bank or other nominee for your benefit, you should contact the record holder to obtain instructions if you wish to revoke your vote before the meeting.

How will my proxy be voted?

If you are a registered holder and your proxy is properly executed, returned and received before the meeting and is not revoked, it will be voted in accordance with your instructions. If you return your signed proxy but do not mark the boxes to show how you wish to vote on a proposal, the shares for which you have given your proxy will, in the absence of your instructions to the contrary, be voted as follows:

- Proposal 1: "FOR" the election of each of the three nominees named in this proxy statement to serve on our Board of Directors;
- Proposal 2: "FOR" the approval, on a non-binding basis, of the Company's compensation of our named executive officers as described in this proxy statement;
- Proposal 3: For every "THREE YEARS" on the frequency of future, non-binding shareholder advisory votes on the compensation of our named executive officers;
- Proposal 4: "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2017; and
- In the discretion of the proxies on other matters properly brought before the meeting.

If your shares are held in street name through a broker, bank or other nominee for your benefit and your voting instruction form is properly executed, returned and received before the meeting and is not revoked, it will be voted in accordance with your instructions. If you have not furnished voting instructions within a specified period before the meeting, under current New York Stock Exchange ("NYSE") rules, brokerage firms and nominees that are members of the NYSE may vote their customers' unvoted shares on "routine" matters but not on non-routine matters. Under the NYSE rules, routine matters include the ratification of the appointment of our independent registered public accounting firm but do not include the other proposals on the ballot.

The voting instruction form also grants the proxy holders discretionary authority to vote on any other business that may properly come before the meeting as well as any procedural matters. As of the date of this proxy statement, we do not know of any other matters that will be presented at the meeting.

What does it mean if I get more than one proxy card?

If you hold your shares in more than one account or with more than one broker and/or our transfer agent, you will receive more than one proxy card. Please complete and return each of the proxy cards you receive to ensure that all of your shares are voted.

How many votes are required to approve each proposal, and what are the effects of abstentions and broker non-votes?

The following table summarizes the vote required for approval of each proposal and the effect on the outcome of the vote of abstentions, uninstructed shares held by brokers (which result in broker non-votes when a beneficial owner of shares held in street name does not provide voting instructions and, as a result, under the NYSE rules, the institution that holds the shares may not vote those shares on certain proposals) and signed but unmarked proxy cards.

Proposal		Votes Required for Approval	Effect of Abstentions(1)	Uninstructed Shares/ Effect of Broker Non-votes(1)	Signed but Unmarked Proxy Cards(2)
Proposal 1	Election of directors	Three nominees receiving the highest number of "FOR" votes (i.e., plurality)	No effect(3)	Not voted/No effect(3)	Voted "For"
Proposal 2	Advisory, non-binding vote to approve executive compensation	Majority of votes cast	No effect(3)	Not voted/No effect(3)	Voted "For"
Proposal 3	Advisory, non-binding vote to approve the frequency of the advisory vote on executive compensation	Plurality(4)	No effect(3)	Not voted/No effect(3)	Voted "Three Years"
Proposal 4	Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm	Majority of votes cast	No effect(3)	Discretionary vote by broker	Voted "For"

(1) Abstentions and broker non-votes are included in determining whether a quorum is present.

(2) If you complete your proxy card properly, but do not provide instructions on your proxy card as to how to vote your shares, your shares will be voted as shown in this column and in accordance with the judgment of the individuals named as proxies on the proxy card as to any other matter properly brought before the annual meeting.

(3) Under Section 1103 of the Pennsylvania Business Corporation Law of 1988, as amended, abstentions and broker non-votes are not counted as "votes cast."

(4) Shareholders may vote for "one year," "two years," or "three years," or may abstain from voting, for the advisory vote on the frequency of future advisory votes on executive compensation. If one of the three options receives a majority of all the votes cast by shareholders, it will be the frequency for the advisory vote on executive compensation selected by our shareholders. In the absence of a majority of votes cast in support of any one frequency, the option that receives the greatest number of votes will be considered the frequency selected by our shareholders. This vote is advisory in nature and therefore not binding on

Quaker or our Board of Directors. However, the Board of Directors will consider the outcome of this vote in its deliberations on the frequency of future advisory votes on the Company's executive compensation programs.

What if a director nominee is unwilling or unable to serve?

We do not expect that to occur. If it does, proxies will be voted for a substitute director nominee designated by our Board of Directors.

Are dissenters' rights applicable to any of the matters to be voted on at the meeting?

No. Dissenters' rights do not apply to any of the matters to be voted on at the meeting.

Who will count the vote?

The Judge of Election appointed at the meeting, together with a representative of Broadridge Financial Solutions, Inc., will serve as the inspector of election.

How many shares can be voted at the meeting?

As of March 3, 2017, the record date for the meeting, 13,290,780 shares of Quaker common stock were issued and outstanding. Every holder of Quaker common stock is entitled either to one vote or ten votes for each share held of record on the record date, based on how long such shares have been owned by the holder.

How many votes may I cast at the meeting?

Our voting structure is generally designed to protect the interests of the long-term holders. To that end, you will be entitled to cast either one vote or ten votes for each share of common stock you held on March 3, 2017, the record date for the meeting, depending upon how long you had held the shares as of the record date. As more specifically provided in Article 5 of Quaker's Articles of Incorporation:

Each share that, as of the record date, you had beneficially owned since March 3, 2014, will entitle you to ten votes.

Each share you acquired after March 3, 2014 will entitle you to one vote, with some exceptions. These exceptions are explained in Appendix A to this proxy statement.

Based on long-standing practice, we presume that shares you hold in "street" or "nominee" name, or that are held for your account by a broker, clearing agency, voting trustee, bank, trust company, or other nominee, were acquired by you after March 3, 2014 and, accordingly, entitle you to one vote for each of these shares. You may, however, rebut this "one-vote" presumption by completing and executing the affidavit appearing on the voting instruction form. The Company and the Board of Directors reserve the right to require evidence to support the affidavit.

What is the total number of votes that may be cast at the meeting?

Based on the information available to us, as of March 3, 2017, at the annual meeting the holders of 742,665 shares of Quaker common stock will be entitled to cast ten votes for each share held and the holders of 12,548,115 shares of Quaker common stock will be entitled to cast one vote for each share held, for a total of 19,974,765 votes. The number of shares that we have indicated are entitled to one vote includes those shares presumed by us to be entitled to only one vote, as described above. Because some of the holders of these shares may rebut this presumption, the total number of votes that may be cast at the meeting may increase.

Where can I find more information on the voting procedures for the meeting?

For additional information on our voting procedures, including the procedures for determining whether a share entitles its holder either to one vote or ten votes, and how to rebut the “one-vote” presumption, please refer to Appendix A.

What is a “quorum?”

The presence of shareholders entitled to cast at least a majority of the votes entitled to be cast on a particular matter will constitute a “quorum” for the purpose of considering that matter. For purposes of determining the presence of a quorum, the votes of a shareholder will be counted if the shareholder is present in person or by proxy. Shares that are the subject of abstentions or broker non-votes will be counted for purposes of determining a quorum.

Who can attend the Annual Meeting?

All shareholders of Quaker who owned shares of record on March 3, 2017 may attend the meeting. If you want to vote in person and you hold Quaker common stock in street name (i.e., your shares are held in the name of a brokerage firm, bank or other nominee), you must obtain a proxy card issued in your name from your broker and bring that proxy card to the meeting, together with a copy of a brokerage statement reflecting your stock ownership as of the record date and valid identification. If you hold stock in street name and want to attend the meeting but not vote in person at the meeting, you must bring a copy of a brokerage statement reflecting your stock ownership as of the record date, the stock acquisition date and valid identification.

How will voting on any other business be conducted?

We do not know of any business to be considered at the meeting other than the proposals described in this proxy statement. However, if any other business is properly presented at the meeting, the proxy being solicited by the Board of Directors will give authority to Michael F. Barry and William R. Cook to vote on such matters at their discretion and they intend to do so in accordance with their best judgment.

Who will pay the cost of this proxy solicitation and how will the solicitation be conducted?

We will pay the expenses of soliciting proxies in the form included with this proxy statement, including the cost of preparing, assembling and mailing material in connection with the solicitation. In addition to the use of the mail, our directors, executive officers and employees may, without additional compensation, solicit proxies by telephone, facsimile, electronic mail and personal contact. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy materials and Quaker’s annual report, including its Annual Report on Form 10-K, to any beneficial holder of Quaker common stock.

Does the Company utilize “householding” for mailing of its proxy materials?

The Securities and Exchange Commission (the “SEC”) permits companies and intermediaries (such as brokers and banks) to satisfy delivery requirements for proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivery of a single proxy statement and annual report to those shareholders. This process, which is commonly referred to as “householding,” is intended to reduce the volume of duplicate information shareholders receive and also reduce expenses for companies. Quaker has instituted householding for its registered shareholders; some intermediaries may also be householding Quaker’s proxy materials and annual report. Once you have received notice from the Company, your broker or another intermediary that they will be householding materials to your address, householding will continue until you are notified otherwise or until you or another shareholder who shares your address provides contrary instructions.

If at any time you no longer wish to participate in householding and would prefer to receive a separate proxy statement and annual report, you should contact Victoria K. Gehris, Assistant Secretary, toll free at 1-800-523-7010, ext. 4246, or inform her in writing at Quaker Chemical Corporation, Shareholder Services, One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428. If you hold shares through an intermediary and no longer wish to participate in householding, you should contact your bank, broker or other nominee record holder.

Shareholders who share an address and are receiving multiple copies of annual reports or proxy statements but would like to receive a single copy can contact Victoria K. Gehris at the toll-free number noted above.

We undertake to deliver promptly to any shareholder at a shared address, upon written or oral request, a copy of Quaker's proxy statement and annual report. You may request these documents by calling the toll-free number or writing to the address noted above.

PROPOSAL 1

Proposal 1 – Election of Directors and Nominee Biographies

What is the makeup of the Board of Directors?

The Quaker Articles of Incorporation divide our Board of Directors into three classes, each consisting, as nearly as possible, of one-third of the directors. The shareholders elect the members of one class each year to serve for a term of three years. Directors elected to fill vacancies and newly created directorships serve for the balance of the term of the class to which they are elected. Currently, there are nine directors, three directors in each of Class I, Class II and Class III. The terms of the Class I directors expire at the 2017 annual meeting of shareholders. At the 2017 annual meeting, three Class I directors are to be elected with each member to serve a three-year term expiring in 2020 and until his successor is duly elected and qualified.

Are there any members of the class of directors to be elected at the meeting who are not standing for reelection?

No.

Who are the Board's nominees this year?

Mr. Michael F. Barry, Mr. Robert E. Chappell and Mr. Robert H. Rock are the nominees for election to the Board of Directors as Class I members. Each nominee, if elected, would hold office until our 2020 annual meeting of shareholders and until his successor is duly elected and qualified. Mr. Robert E. Chappell reached normal director retirement age in September of 2016 and typically would not stand for reelection at the 2017 annual meeting of shareholders. However, the Board of Directors has made an exception to the Board's normal retirement policy and has asked Mr. Chappell to stand for reelection for an additional term. The Board of Directors has made this exception for Mr. Chappell in order to retain his knowledge and experience in accounting/finance, risk assessment and strategic planning and given his excellent work as the Chairperson of the Board of Directors' Governance Committee and his active engagement with Board of Director matters. Mr. Chappell has agreed to stand for election for an additional term.

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PROPOSAL 1

Below is information about our nominees for election to the Board as Class I members, including descriptions of their qualifications and their business experience and directorships over the past five years:

Michael F. Barry, 58

Director Since: 2008

Chairman of the Board

Executive Committee

Chief Executive Officer and President

DIRECTOR QUALIFICATION HIGHLIGHTS

- Extensive and valuable experience acquired through his various leadership positions within Quaker
- Extensive knowledge of accounting/finance, financial reporting, risk assessment, industrial marketing and services, organizational development, global organizations, governance, strategic planning, corporate development, research and development and manufacturing
- Developed additional experience in corporate governance through his service as a member of the board of directors of another public company

Mr. Barry has been our Chief Executive Officer and President since October 2008 and our Chairman of the Board since May 2009. He has held leadership and executive positions of increasing responsibility since joining Quaker in 1998, including Senior Vice President and Managing Director–North America from January 2006 to October 2008; Senior Vice President and Global Industry Leader–Metalworking and Coatings from July to December 2005; Vice President and Global Industry Leader–Industrial Metalworking and Coatings from January 2004 to June 2005; and Vice President and Chief Financial Officer from 1998 to August 2004. Mr. Barry currently serves as a director of Rogers Corporation.

Robert E. Chappell, 72

Director Since: 1997

Governance Committee (Chair)
Executive Committee

Former Chairman and Chief Executive Officer of The Penn Mutual Life Insurance Company

DIRECTOR QUALIFICATION HIGHLIGHTS

- Experience in accounting/finance, financial reporting, risk assessment, organizational development, global organizations, governance, strategic planning and corporate development
- Developed additional experience in corporate governance through his service as a member of the board of directors of another public company

Mr. Chappell was the Chairman of The Penn Mutual Life Insurance Company, a mutual life insurance company providing life insurance and annuity products, from January 1997 to June 2013 when he retired; its Chief Executive Officer from April 1995 to February 2011; and its President from January 2008 to March 2010. Mr. Chappell currently serves as a director of CSS Industries, Inc. and as a trustee of The Penn Mutual Life Insurance Company.

Robert H. Rock, 66

Director Since: 1996

Compensation Committee (Chair)
Executive Committee

Chairman and Chief Executive Officer of MLR Holdings, LLC

DIRECTOR QUALIFICATION HIGHLIGHTS

- Experience in organizational development, global organizations, governance, strategic planning and corporate development
- Developed valuable and diverse experience through his service on the boards of both public and private companies

Mr. Rock has been Chairman and Chief Executive Officer of MLR Holdings, LLC, an investment company operating in the publishing and information industry, since January 2015, having also served as President of MLR Holdings, LLC (and its predecessor, MLR Publishing Company) since 1989. Previously, he was Chairman of The Hay Group, a management consulting firm, from 1984 to 1987. He currently is a trustee of The Penn Mutual Life Insurance Company.

The Board believes that, in addition to the information presented above regarding each director nominee's specific experience, qualifications, attributes and skills, each director nominee has significant leadership experience derived from his professional experience and has a reputation for integrity and honesty and adheres to high ethical standards. These attributes have led the Board to conclude that each of the nominees should serve as a director of Quaker. The process undertaken by the Company's Governance Committee in recommending these nominees is described below under the heading "Governance Committee Procedures for Selecting Director Nominees."

The Board recommends that you vote "FOR" the election of Michael F. Barry, Robert E. Chappell and Robert H. Rock as directors of Quaker.

CONTINUING DIRECTORS

Biographies of Continuing Directors

Below is information about our incumbent directors who were elected as Class II members of the Board in 2015 and whose terms expire in 2018, including descriptions of their qualifications and business experience and directorships over the past five years:

Donald R. Caldwell, 70

Director Since: 1997

Lead Director
Executive Committee (Chair)
Audit Committee
Compensation Committee

Chairman and Chief Executive Officer of Cross Atlantic Capital Partners, Inc.

DIRECTOR QUALIFICATION HIGHLIGHTS

- Deep financial, entrepreneurial and business expertise perspective, especially on strategic and financial matters
- Experience in financial reporting, risk assessment, strategic planning and corporate development
- Developed extensive experience in corporate governance, finance and strategy as a member of the boards and board committees of other public companies

Mr. Caldwell, an experienced and successful investor, co-founded Cross Atlantic Capital Partners, Inc., a venture capital management company, and has served as its Chairman and Chief Executive Officer since 1999. He is also Chairman and Chief Executive Officer of InsPro Technologies Corporation, one of Cross Atlantic Capital Partners' portfolio companies. Previously, he was President and Chief Operating Officer of Safeguard Scientifics, Inc., a holding company with investments in the growth-stage technology and life sciences businesses, from February 1996 to February 1999. Mr. Caldwell has been our Lead Director since 2016. He is also a director of InsPro Technologies Corporation, Lightning Gaming, Inc. and Rubicon Technology, Inc., all Cross Atlantic Capital Partners' portfolio companies, and a director of Haverford Trust Company, and was a director of Fox Chase Bancorp. Inc. from October 2014 until July 2016.

William R. Cook, 73

Director Since: 2000

Audit Committee (Chair)
Executive Committee
Governance Committee

Former President and Chief Executive Officer of Severn Trent Services, Inc.

DIRECTOR QUALIFICATION HIGHLIGHTS

- Chemical industry insight and experience
- An understanding of management, strategic and financial planning, corporate development and budgeting processes
- Experience in accounting/finance, financial reporting and industrial marketing
- Developed extensive experience in corporate governance from his long service as a senior officer and as a director of other public companies

Mr. Cook was President and Chief Executive Officer of Severn Trent Services, Inc., a water purification products and laboratory and operating services company, from 1999 until his retirement in June 2002. Previously, he served in a variety of positions in the chemical industry. From 1993 until 1998, he was Chairman, President and Chief Executive Officer of Betz Dearborn, Inc., a producer of specialty water treatment and industrial process chemicals. He was Vice Chairman and Co-Chief Executive Officer of Hercules, Inc., a specialty chemicals maker, from October 1998 until January 1999. Mr. Cook is also a director of Teleflex Incorporated and a trustee of The Penn Mutual Life Insurance Company.

Jeffry D. Frisby, 61

Director Since: 2006

Audit Committee
Compensation Committee

Former President and Chief Executive Officer of
Triumph Group, Inc.

DIRECTOR QUALIFICATION HIGHLIGHTS

- Experience in manufacturing, particularly in the aerospace industry and accounting/finance, financial reporting, industrial marketing, organizational development, global organizations, strategic planning and corporate development
- Developed additional experience in corporate governance through his service on the boards of both public and private companies

Mr. Frisby was Chief Executive Officer of Triumph Group, Inc., a public company that is a global leader in manufacturing and overhauling aerospace structures, systems and components, from July 2012 to April 2015, and its President from July 2009 to April 2015. He was also Triumph's Chief Operating Officer from July 2009 to July 2012. Previously, he was Group President of Triumph Aerospace Systems Group, a group of companies that design, engineer and manufacture a wide range of proprietary and build-to-print components, assemblies and systems for the global aerospace original equipment manufacturers, from April 2003 to July 2009. He also held a variety of other positions within the Triumph Group as well as a predecessor group company, Frisby Aerospace, Inc. Mr. Frisby served as a Director of Triumph Group, Inc. from 2012 to April 2015. Mr. Frisby currently serves as a director of Astronics Corporation and PCX Aerostructures, LLC.

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CONTINUING DIRECTORS

Below is information about our incumbent directors who were elected as Class III members of the Board in 2016 and whose terms expire in 2019, including descriptions of their qualifications and business experience and directorships over the past five years:

Mark A. Douglas, 54

Director Since: 2013

Audit Committee
Governance Committee

President, FMC Agricultural Solutions of FMC Corporation

DIRECTOR QUALIFICATION HIGHLIGHTS

- Management experience of a global chemical business
- Experience in accounting/finance, industrial marketing, organizational development, global organizations, strategic planning, corporate development, technology and science

Mr. Douglas has been President, FMC Agricultural Solutions of FMC Corporation, since October 2012. FMC is a diversified chemical company serving agricultural, industrial and consumer markets globally for more than a century with innovative solutions, applications and quality products. He previously was FMC's President, Industrial Chemicals Group from January 2011 to September 2012 and Vice President, Global Operations and International Development from March to December 2010. Before joining FMC, Mr. Douglas held various senior management positions with Dow Chemical, a leader in specialty chemicals delivering products and solutions to sectors such as electronics, water, energy and coatings. He was Vice President, President–Asia, Dow Advanced Materials from April to December 2009. Prior to that, he was based in Shanghai, China as Corporate Vice President, President–Asia, Rohm and Haas Company, a chemical manufacturing company, from March 2007 to April 2009.

William H. Osborne, 57

Director Since: 2016

Compensation Committee
Governance Committee

Senior Vice President of Global Manufacturing and Quality at Navistar International Corporation

DIRECTOR QUALIFICATION HIGHLIGHTS

- 30 years of automotive industry experience
- Seasoned executive with significant experience in accounting/finance, financial reporting, engineering, global manufacturing and quality, industrial sales and marketing, organizational development, global organizations, governance, strategic planning, mergers and acquisitions, divestitures and corporate development
- Developed additional experience in corporate governance of multi-national corporations through his service as a member of the board of directors of other public companies as well as leadership roles outside of the United States

Mr. Osborne has been Senior Vice President of Global Manufacturing and Quality at Navistar International Corporation, a holding company whose subsidiaries and affiliates produce International® brand commercial and military trucks, since August 2013. He previously served as Senior Vice President of Custom Products at Navistar from May 2011 to August 2013. Before joining Navistar, he served as President and Chief Executive Officer of Federal Signal Corporation, a designer and manufacturer of a suite of products and integrated solutions for municipal, governmental, industrial and airport customers, from September 2008 to October 2010.

Fay West, 48

Director Since: 2016

Audit Committee

Senior Vice President and Chief Financial Officer of SunCoke Energy, Inc.

DIRECTOR QUALIFICATION HIGHLIGHTS

- Extensive experience in accounting/finance, financial reporting, risk assessment, mergers and acquisitions, divestitures and business restructuring, organizational development, global organizations, strategic planning, governance and corporate development
- Developed additional experience in corporate governance through her service as a member of the board of directors of another public company

Ms. West has, since October 2014, been Senior Vice President and Chief Financial Officer of SunCoke Energy, Inc., the largest independent producer of coke in the Americas, with 50 years of experience supplying coke to the integrated steel industry, and SunCoke Energy Partners, L.P., a publicly traded master limited partnership that manufactures coke used in the blast furnace production of steel and provides coal handling services to the coke, steel and power industries. Previously, she was SunCoke Energy's Vice President and Controller from February 2011 to October 2014 and Vice President and Controller of SunCoke Energy Partners GP LLC, the general partner of SunCoke Energy Partners, L.P. from July 2012 to October 2014. Prior to joining SunCoke Energy, Ms. West was Assistant Controller at United Continental Holdings, Inc., an airline holding company, from April 2010 to January 2011. Ms. West currently serves as a director of SunCoke Energy Partners, L.P.

CORPORATE GOVERNANCE

Corporate Governance

Leadership Structure

Quaker's business is conducted by its officers, managers and associates under the direction of the Chief Executive Officer ("CEO") and with oversight by the Board of Directors. The Company's CEO is also the Chairman of the Board of Directors. The Board has long held that, given Quaker's size and management structure, it is best to combine the roles of Chairman of the Board and CEO. The Board believes having one leader serving as both Chairman and CEO provides decisive and effective leadership.

The Board of Directors has also appointed an independent Lead Director. The Lead Director rotates on a bi-annual basis unless the Board determines that the reappointment of the Lead Director at the end of a two-year term is in the best interests of the Company. The Lead Director serves as the liaison between the Chairman/CEO and the Board of Directors. The Lead Director also ensures that the respective responsibilities of the directors and the Chairman/CEO are understood; collaborates with the Chairman/CEO to ensure the appropriate flow of information to the Board; works with the Chairman/CEO to develop the agendas for Board meetings; coordinates and develops the agenda for and presides over sessions of the Board's independent directors; ensures appropriate minutes are kept of such meetings and, as appropriate, communicates to the Chairman/CEO the substance of such discussions. Mr. Donald R. Caldwell is currently the Lead Director, having been appointed to the position for a two-year term on February 24, 2016, effective May 4, 2016.

Director Independence

In accordance with NYSE rules, the Board affirmatively determines the independence of each director and nominee for election as a director in accordance with guidelines it has adopted which include all elements of independence set forth in the NYSE listing standards. The Company's director independence standards are described in the Company's Corporate Governance Guidelines.

On an annual basis, each director and executive officer is obligated to disclose, among other things, any transactions with the Company in which the director (or any organization of which the director is a partner, shareholder or officer) or executive officer, or any member of his or her immediate family, have a direct or indirect material interest. Based on the Company's adopted independence standards and the information provided by the directors, the Board determined at its meeting held on February 27, 2017, that all non-employee directors who served in fiscal 2016, as well as each nominee for director and those non-employee directors who will continue to serve after our 2017 annual meeting of shareholders, are independent within our guidelines and have no material relationship with the Company as defined by our guidelines. The Company's independent non-employee directors are Donald R. Caldwell, Robert E. Chappell, William R. Cook, Mark A. Douglas, Jeffry D. Frisby, William H. Osborne, Robert H. Rock and Fay West. Joseph B. Anderson, Jr. and Patricia C. Barron, who served on the Board in fiscal 2016 until their retirement on May 4, 2016, were also independent non-employee directors.

Based on the Company's independence standards, the Board has affirmatively determined that Michael F. Barry is not independent because he currently serves as an executive officer of the Company. There are no family relationships between any of the Quaker directors, executive officers or nominees for election as directors.

Governance Committee Procedures for Selecting Director Nominees

The Governance Committee's goal is to assemble a Board that brings to Quaker a variety of perspectives and skills derived from high quality business and professional experience. The current composition of the Board includes directors (including those nominated for reelection this year) with complementary skills, expertise and experience such that the Board, on the whole, has competence and experience in a wide range of areas. Quaker's Board includes nine directors who are or have served as chief executive officers or in other executive management roles, seven directors with specialized accounting and finance knowledge, four directors with experience in the chemical industry or other technology or science areas, eight directors who have served on the boards of other public companies, nine directors with international business experience and five directors with experience in industries served by Quaker. The Governance Committee will continue to evaluate the needs of Quaker and its shareholders to ensure that the competency of the Board, as a whole, is relevant and robust.

In evaluating director nominees, the Governance Committee considers the appropriate size of Quaker's Board of Directors and the needs of Quaker and its shareholders with respect to the particular talents, experience and capacities of its directors, including: experience in industries similar to Quaker's; managerial and other leadership experience; business acumen and other particular expertise; business development experience; strategic capability; independence of judgment; familiarity with corporate governance and the responsibilities of directors and the ability to fulfill those responsibilities; standing and reputation as a person of integrity; the potential contribution of each individual to the diversity of backgrounds, experience and competencies that the Governance Committee desires to have represented; and ability to work constructively with the CEO and the Board. In considering nominees for the Board of Directors, the Governance Committee considers the entirety of each candidate's credentials and the anticipated contributions of the individual as a member of the Board.

Under Quaker's Corporate Governance Guidelines, directors who also serve as CEOs or in equivalent positions should not serve on more than three other boards of public companies in addition to the Quaker Board, and directors who do not serve as CEOs or in equivalent positions should not serve on more than four other boards of public companies in addition to the Quaker Board. The Governance Committee has decided to waive such limitations in the case of Mr. Caldwell due to his valued contributions to the Board and the committees on which he serves, a record of consistent attendance at Board and committee meetings and availability to advise and assist management in support of Quaker's business. Further, under the listing standards of the NYSE, without specific approval from the Board, no member of the Audit Committee may serve on more than two public company audit committees in addition to Quaker's Audit Committee. The Board has determined that Mr. Caldwell's simultaneous service on the audit committees of more than two public companies in addition to Quaker's does not impair his ability to effectively serve on Quaker's Audit Committee.

When identifying and evaluating nominees for director, the Governance Committee first examines whether current members of the Board are willing to continue their service. Current members of the Board with skills and experience that are relevant and who are willing to continue to serve are considered for renomination, balancing the value of continuity of service with that of obtaining a new perspective. If a current member does not choose to stand for reelection, the Governance Committee will not recommend that director for reelection. If the Governance Committee recommends an increase in the membership of the Board, it will identify the experience and personal capacities desired and will seek suggestions as to nominees from the current Board membership. In addition, and as has been done in the past, the Governance Committee may engage third parties to assist in the identification or evaluation of potential director nominees.

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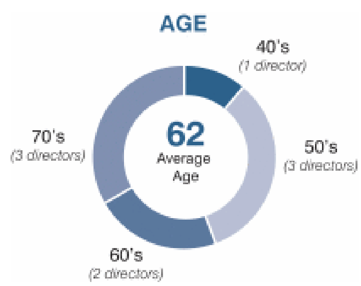
Summary of Director Core Competencies

The following chart summarizes the core competencies currently represented on our Board.

SKILLS	DIRECTORS WITH EXPERIENCE
Senior Leadership	9
Accounting / Financial Experience	7
Technology / Science / Chemical Industry	4
Other Public Company Board Experience	8
International Business Experience	9
Industry Knowledge	5

Although we do not have a formal policy regarding diversity and do not have constituent or representative directors, diversity is one important factor, among many, in our nomination process. The Governance Committee considers a variety of factors, including age, gender, race, executive and professional experience, and perspectives of the candidate and how the candidate's qualifications will enhance the composition of the Board of Directors as a whole.

All but one of our directors are independent and our Board has a mix of relatively newer and longer-tenured directors. The charts below show board makeup by various characteristics:



Shareholder Nominations and Recommendations

The Company's Restated By-Laws ("By-Laws") describe how shareholders may nominate candidates for election to our Board of Directors. For our 2018 annual meeting of shareholders, shareholders may nominate a candidate for election to our Board only by sending written notice to our Corporate Secretary at our principal office at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428. This notice must be received on or before February 9, 2018, but no earlier than January 10, 2018 (except that if the date of the 2018 annual meeting of shareholders is more than 30 days before or more than 60 days after the anniversary date of the 2017 annual meeting, this notice must be received no earlier than the close of business on the 120th day before the date of the 2018 annual meeting and not later than the close of business on the later of the 90th day before the date of the 2018 annual meeting or, if the first public announcement of the date of the 2018 annual meeting is less than 100 days before the date of the meeting, by the 10th day after the public announcement).

The notice to our Corporate Secretary must contain or be accompanied by the information required by Sections 3.15 and 2.13 of our By-Laws, including, among other things: (i) the name, age, principal occupation and business and residence address of each person nominated; (ii) the class and number of shares of our stock which are directly or indirectly owned beneficially and/or of record by each person nominated; (iii) the name and record address of the shareholder making the nomination and the beneficial owner, if any, on whose behalf the nomination is made; (iv) the class and number of shares of our stock which are directly or indirectly owned beneficially and/or of record by the shareholder making the nomination and the beneficial owner, if any, on whose behalf the nomination is made; (v) a description of any direct and indirect compensation and other monetary agreements, arrangements and understandings, and any other material relationships (including any familial relationships) between the shareholder giving notice (and the beneficial owner) and the nominee and any respective affiliates, associates or others with whom any of them are acting; and (vi) a description of any hedging or other transaction that has been entered into by or on behalf of, or any other agreement or understanding (including, without limitation, any put, short position or any borrowing or lending of shares) that has been made, the effect or intent of which is to mitigate loss to or manage risk of share price changes for, or to increase or decrease the voting power of, the shareholder or any shareholder associated person (as defined in the By-Laws) with respect to any share of our stock, as well as certain other information. This list of required information is not exhaustive. A copy of the full text of the relevant By-Law provisions, which includes the complete list of all information that must be submitted to nominate a director, may be obtained upon written request directed to our Corporate Secretary at our principal office. A copy of our By-Laws is also posted on the Investors/Corporate Governance section of our website at *https://www.quakerchem.com*.

In addition to a shareholder’s ability to nominate candidates to serve on our Board as described above, shareholders also may recommend to the Governance Committee a prospective nominee for its consideration. The Governance Committee will consider timely recommendations received from shareholders regarding director nominee candidates and accompanied by sufficient information to enable the Governance Committee to assess the candidate’s qualifications, along with confirmation of the candidate’s consent to serve as a director if elected. Such recommendations should be sent to our Corporate Secretary at our principal office. Any recommendation received from a shareholder after January 1 of any year is not assured of being considered for nomination in that year. The Governance Committee applies the same criteria in evaluating candidates nominated by shareholders as it does in evaluating candidates identified by Company sources. No shareholder or group of shareholders recommended a director nominee for election at Quaker’s 2017 annual meeting of shareholders.

Board Oversight of Risk

While the Board has the ultimate oversight responsibility for risk management, consistent with Quaker’s By-Laws, the Board has delegated much of the responsibility for risk management to the standing Committees of the Board. The Audit Committee has oversight over financial risks, such as financial reporting and internal controls; compliance risks, including oversight of the compliance program and disposition of certain complaints and/or violations of the Code of Conduct and Financial Code of Ethics; and operational risk, such as loss of property, business interruption and other exposures traditionally mitigated through insurance products.

In addition, the Compensation/Management Development Committee is responsible for developing a balanced compensation system for all employees, including appropriate long-term and short-term incentive compensation targets that encourage a level of risk-taking behavior consistent with the overall financial/strategic goals of the Company, as well as oversight of the management, development and succession processes. Finally, from time to time, Quaker faces other risks material to its business and, in those circumstances, the Board (or at times, the Executive Committee) is regularly informed and provides input and advice on actions being considered to mitigate exposures associated with those risks. As appropriate, the Board considers specific risk topics, including risks associated with our strategic plan, our capital structure and our development activities. Further, the Board is routinely informed of developments at and affecting the Company that could affect our risk profile or other aspects of our business through reports from our business units and otherwise. This oversight by the Board is designed to maintain an appropriate level of risk and to address new risks as they arise.

Communications with the Board of Directors; Corporate Governance Guidelines

Shareholders or other interested parties may communicate with any of our directors, including non-management directors, by writing to them c/o Robert T. Traub, Vice President, General Counsel and Corporate Secretary, at the address set forth above. All communications received will be forwarded to the Governance Committee and the addressee. The Board believes it is management's role to speak for Quaker and, accordingly, any such communication received will be shared with the Chief Executive Officer and other executive officers, as appropriate. The Company has adopted Corporate Governance Guidelines and other governance materials. Our Code of Conduct, Financial Code of Ethics for Senior Financial Officers, Corporate Governance Guidelines and Audit, Compensation/Management Development and Governance Committee Charters have been posted on and are available free of charge by accessing the Investors/Corporate Governance section of our website at *https://www.quakerchem.com* or by written request addressed to Quaker Chemical Corporation, One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428, Attention: Victoria K. Gehris, Assistant Secretary. The references to our website contained in this proxy statement are for informational purposes, and the content of the website is not incorporated by such references in this proxy statement.

Code of Conduct

The Company has a compliance program, the governing documents of which include a Code of Conduct (which is applicable to all of the Company's directors, executive officers and employees) and a Financial Code of Ethics for Senior Financial Officers (which is applicable to the Chief Executive Officer, Chief Financial Officer, Global Controller, Senior Treasury Analyst, each Controller at majority-owned affiliates, Assistant Controller, and other individuals performing similar functions designated by the Board). The Company's compliance program embodies the Company's global principles and practices relating to the ethical conduct of the Company's business and its longstanding commitment to fairness, honesty, integrity and full Company compliance with all laws affecting the Company's business.

The Company's compliance program includes a means for employees, customers, suppliers, shareholders and other interested parties to submit confidential and anonymous reports of suspected or actual violations of the Company's Code of Conduct or the Financial Code of Ethics for Senior Financial Officers relating, among other things, to:

- accounting practices, internal accounting controls, or auditing matters and procedures;
- theft or fraud of any amount;
- insider trading;
- performance and execution of contracts;
- conflicts of interest;
- violations of securities and antitrust laws; and
- violations of the Foreign Corrupt Practices Act.

Any employee, shareholder or other interested party can call the Quaker Hotline at 1-800-869-9414 or 1-678-999-4552 from outside the United States. The Quaker Hotline is a toll-free telephone line dedicated solely to receiving questions and concerns and directing them to the appropriate authority for action. All calls are answered by an independent third-party service available 24 hours a day, seven days a week.

The Audit Committee oversees the administration of the Company's compliance program and is directly responsible for the disposition of all reported violations of the Financial Code of Ethics for Senior Financial Officers and complaints received regarding accounting, internal accounting controls or audit matters. In addition, the Audit Committee is responsible for the disposition of all violations of (and approves any waivers to) the Code of Conduct for directors and executive officers and for the disposition of other serious violations of the Code of Conduct. No such waivers were requested in 2016. We maintain a current copy of our Financial Code of Ethics for Senior Financial Officers and will promptly post any amendments to or waivers of our Financial Code of Ethics for Senior Financial Officers on our website at *https://www.quakerchem.com* under the heading Investors/Corporate Governance.

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COMMITTEES

Meetings and Committees of the Board

Our Board of Directors has four standing committees, the Audit, Compensation/Management Development, Executive and Governance Committees. Each member of the Audit, Compensation/Management Development and Governance Committee is independent as defined for members of the respective committee in the listing standards of the NYSE and Quaker's Corporate Governance Guidelines. The Audit Committee is established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "1934 Act"). The Board has affirmatively determined that four of the five members of the Audit Committee, including its current Chairman, William R. Cook, meet the criteria for an "audit committee financial expert" as defined by the SEC and that William H. Osborne, although not currently a member of the Audit Committee, also meets this financial expert criteria. The Board of Directors has adopted a charter for each of these committees other than the Executive Committee. Each committee reports its actions to the full Board at the Board's next regular meeting. A summary of the duties of each committee follows the table below.

Committee Membership and Meetings Held in 2016

Name	Audit	Compensation/ Management Development	Executive	Governance
Joseph B. Anderson, Jr.(1)	X			X
Patricia C. Barron(1)		X		X
Michael F. Barry			X	
Donald R. Caldwell	X	X	CHAIR	
Robert E. Chappell			X	CHAIR
William R. Cook	CHAIR		X	X(2)
Mark A. Douglas	X			X
Jeffry D. Frisby	X	X		
William H. Osborne		X(2)		X(2)
Robert H. Rock		CHAIR	X	
Fay West	X(2)			
Number of Meetings in 2016(3)	5	4	0	3

X Member. Each of the individuals listed in the table above held the committee memberships indicated throughout 2016, unless otherwise indicated.

(1) Committee member until May 4, 2016, at which time Mr. Anderson and Ms. Barron retired.

(2) Committee member since February 24, 2016.

(3) The Board of Directors held five regular meetings in 2016. Each director attended, in person or by teleconference, at least 75% of the aggregate of all the meetings of the Board and the committee(s) on which he or she served during 2016.

Time is regularly scheduled for the independent directors to meet as a separate group. The Lead Director acts as chairperson during these sessions.

Quaker does not have a formal policy regarding attendance by members of the Board at its annual meeting of shareholders, but all directors are encouraged to attend. In 2016, all directors attended the annual meeting of shareholders.

Audit Committee:

- Engages the independent registered public accounting firm and approves all audit and non-audit fees.
- Reviews and discusses with management and the independent registered public accounting firm the annual and quarterly financial statements, including disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations.
- Discusses with management and the independent registered public accounting firm any audit problems or difficulties and management's response.
- Reviews the internal audit plan and discusses with the internal auditor and the independent registered public accounting firm their assessment of the effectiveness of Quaker's internal controls.
- Oversees the handling of matters relating to compliance with law and ethics, including adherence to the standards of business conduct and ethics required by Quaker's policies.
- Provides oversight to the Chief Financial Officer and Risk Manager on matters relating to risk management generally.

Compensation/Management Development Committee:

- Reviews management's compensation philosophies and policies.
- Approves annual performance objectives for the CEO, evaluates the CEO's performance against objectives and makes a recommendation to the Board regarding the CEO's base salary.
- Reviews performance evaluations and approves annual salaries for all executive officers, other than the CEO.
- Approves annual incentive and long-term incentive award opportunities for all executive officers, including the CEO.
- Administers Quaker's Global Annual Incentive Plan and Long-Term Performance Incentive Plan.
- Reviews and evaluates management development and succession planning and oversees these processes.
- Reviews and discusses with management disclosures under the Compensation Discussion and Analysis section of this proxy statement and makes recommendations to the Board for inclusion of the Compensation Discussion and Analysis section in this proxy statement and the Company's Annual Report on Form 10-K.

Executive Committee:

- Acts for the Board in situations requiring prompt action when a meeting of the full Board is not feasible.
- Makes recommendations to the Board about external corporate development programs.
- Establishes guidelines regarding Quaker's capital structure and deployment of capital resources.

Governance Committee:

- Evaluates the size and composition of the Board and recommends changes as appropriate.
- Reviews and recommends nominees for election as directors.
- Reviews the Board's committee structure and recommends directors to serve as members of each committee.
- Reviews and makes recommendations to the Board with respect to the compensation of the Company's directors.
- Develops and reviews annually Quaker's Corporate Governance Guidelines.
- Conducts an annual performance evaluation of the Board and ensures each Board committee conducts its own annual self-evaluation.
- Reviews and approves related party transactions and similar transactions and establishes policies and procedures for such transactions.

The Audit Committee, the Compensation/Management Development Committee and the Governance Committee each operates under a charter. These charters can be found on the Company's website at *https://www.quakerchem.com* under the heading Investors/Corporate Governance.

INTERLOCKS AND INSIDER PARTICIPATION

Compensation Committee Interlocks and Insider Participation

The individuals who served as members of the Compensation/Management Development Committee during the year ended December 31, 2016 are Robert H. Rock (Chairman), Patricia C. Barron, Donald R. Caldwell, Jeffry D. Frisby and William H. Osborne, each of whom is an “independent” director. Patricia C. Barron was a member of the Committee until her retirement on May 4, 2016. No member of the Compensation/Management Development Committee was, during 2016, or had previously been, an officer or employee of Quaker or its subsidiaries nor had any material interest in a transaction with Quaker or a business relationship with, or any indebtedness to, Quaker, in each case that would require disclosure under applicable rules of the SEC. During 2016, no executive officer of Quaker served as a director or a member of the compensation committee of another company, one of whose executive officers served as a member of Quaker’s Board of Directors or Compensation/Management Development Committee.

EXECUTIVE COMPENSATION

Executive Compensation

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis section is to explain to shareholders how and why compensation decisions are made for the executive officers listed in the Summary Compensation Table below. When we use the term "executive officers," we mean the Named Executive Officers for fiscal 2016, who are Michael F. Barry, Mary Dean Hall, D. Jeffry Benoliel, Jan F. Nieman and Joseph A. Berquist, as well as the Company's other senior officers.

Executive Summary

Quaker's Compensation/Management Development Committee (the "Committee") has implemented executive compensation programs designed to reward performance. The Company is engaged in a highly specialized business with a broad global footprint, requiring a management team with specific skills and knowledge. The Committee believes that our compensation programs must be competitive in order to attract and retain high performance executives with the requisite skill set and performance orientation.

In fiscal 2016, Quaker's executive team successfully managed the Company to again post record non-GAAP earnings per diluted share and record adjusted EBITDA results despite a weak overall global economy, and a continued significant negative impact from foreign exchange rate translation. Non-GAAP earnings per diluted share increased by 4% as compared to fiscal 2015 (notwithstanding the negative impact from foreign exchange rate translation), and the Company's adjusted EBITDA exceeded $100 million for the second year in a row and for the second time in Company history. Further, the Company's net operating cash flow increased by 1% to $73.8 million. Our average stock price in 2016 was $94.74 per share compared to $83.29 per share in the prior year and $76.41 per share in 2014, a more than $11 increase over last year and a record share price. In addition, the total shareholder return (defined as the year-over-year stock price increase or decrease plus dividends paid and reinvested in Quaker stock) for company stock was 68% in 2016.

In this Compensation Discussion and Analysis, we refer to non-GAAP earnings per diluted share and adjusted EBITDA, which are non-GAAP financial measures. A full discussion of our use of non-GAAP earnings per diluted share and adjusted EBITDA to enhance a reader's understanding of the financial performance of the Company, and a reconciliation of these measures to earnings per diluted share and net income, respectively, can be found in "Non-GAAP Measures" of Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

In making decisions about fiscal 2016 salaries and performance targets, the Committee also considered fiscal 2015 corporate performance. Factors affecting the key components of our executive compensation programs for fiscal 2016 were:

- Adjusted Net Income. Adjusted net income is a key metric for the corporate component of the Company's annual cash incentive awards (the adjustments to net income for purposes of setting these targets are explained in greater detail below). Performance with respect to this metric for fiscal 2016 was slightly above target level and resulted in a payout representing 50% of the maximum payment for the corporate component of the annual cash incentive awards for the Named Executive Officers.
- Quaker's Stock Performance. Long-term incentives make up a significant portion of each of the Named Executive Officers' compensation. In order to align the Named Executive Officers' incentives with our shareholder returns, the value to be earned on our long-term awards is directly linked to the performance of

our stock. The equity component of these incentives is tied to stock performance and the amount payable on our cash awards is based on our total shareholder return (which is defined as the year-over-year stock price increase or decrease plus dividends paid) as compared to a specific peer group. Our Named Executive Officers' long-term incentive compensation for 2016 related to equity awards was slightly higher than that of 2015, and the cash component paid out at a similar rate as compared to the prior two years. For the cash component of this long-term incentive, Quaker's three-year total shareholder return of 86% resulted in a peer group ranking at the 92nd percentile. This three-year total shareholder return resulted in a cash payout of 100% of the maximum amount provided for the three-year period ended in 2016.

- Benchmarking. Based on our review of competitive benchmarking for compensation and our results of operations in 2015, we rewarded our Named Executive Officers with salary and/or incentive compensation increases in 2016 as described further below.

Quaker's overall compensation strategy and specific programs have not changed over the past several years as we have strived to maintain a consistent year-over-year approach to ensure that our compensation remains predictable and competitive to the market, as well as fair and reasonable. In particular, we have continued to:

- Use benchmarks for total direct compensation and long-term compensation to mitigate the possibility of inappropriate risk taking on the part of executives;
- Align senior level compensation with the long-term success of the Company by ensuring that the higher the position within management the more compensation is incentive-pay dependent and the more incentive pay is long-term oriented; and
- Reward long-term performance with cash compensation measured by total shareholder return and stock-based compensation in order to align the interests of management directly with our shareholders.

Consistent with this approach, we seek and receive approval from our shareholders regarding incentive plans that are used to attract, motivate, retain and reward our executives. In fact, when two of our incentive plans were presented to the shareholders for approval at the 2016 annual meeting of shareholders, they overwhelmingly approved both plans.

The Committee continually reviews our executive compensation programs to ensure they achieve the desired goals of aligning our compensation practices to performance and pay practices in the Company's industry and prudent risk taking to achieve sustainable shareholder value creation. The Committee has again determined that the Company's current compensation programs are not likely to encourage excessive risk taking because the metrics in the Company's compensation plans are linked to corporate performance as it relates to set budgetary targets and because the plans are measured against identified peer comparison groups.

Further, at the Company's 2014 annual meeting of shareholders, the shareholders overwhelmingly voted, on an advisory basis, to approve the Company's compensation of our Named Executive Officers. In addition, at the Company's 2011 annual meeting of shareholders, the shareholders also voted to recommend an advisory vote on the Company's compensation once every three years and the Company has followed this recommendation. Given the significant level of support received in the 2014 advisory vote, the Board of Directors and Committee have not made any material changes to our executive compensation policies and decisions since that time. Our shareholders will again vote, on an advisory basis, on our compensation program and on the frequency of such shareholder vote at the 2017 annual meeting of shareholders, as both are more fully described under Proposal 2 and Proposal 3 of this proxy statement.

General Philosophy

Quaker, like many companies of similar size, relies on a small group of managers who have the requisite skills and knowledge to enable us to achieve our business strategies, operate as a globally integrated whole and deliver value to our shareholders.

To attract and retain talented senior level managers, we have adopted a compensation approach that:

- provides opportunities for highly competitive levels of total compensation when merited by performance;
- creates incentives to perform over a multiple-year period; and
- aligns interests of the management team with those of our shareholders.

Quaker compensates its executive officers (who for 2016 include our Chairman, CEO and President and our vice presidents) through a total compensation package. This package consists of a mix of base salary, an annual cash incentive bonus, long-term incentives comprising both equity awards and cash payments and a competitive benefits package comprising medical, life, disability and retirement using both qualified and non-qualified programs, where appropriate.

Administrative Practices

The Committee is responsible for overseeing and developing the compensation and management development programs for the Company. Consistent with its charter, the Committee is composed solely of “independent” members of our Board of Directors under our Corporate Governance Guidelines and the listing standards of the NYSE. Four members of our Board, Donald R. Caldwell, Jeffry D. Frisby, William H. Osborne and Robert H. Rock (Chairman) currently sit on the Committee. The Committee’s responsibilities include the evaluation of, approval of, and recommendation to Quaker’s Board of Directors with respect to the plans, policies and programs related to the compensation of the Company’s executive officers and, in the Committee’s discretion, the engagement of an outside compensation consultant. The Committee works closely with members of management in fulfilling its duties. Management provides the necessary information and coordinates with the Committee’s outside consultants, when appropriate, to ensure that the Committee is sufficiently informed when taking action or recommending action on compensation matters. As discussed below, benchmarking data is used prior to making any such decisions. The Committee’s charter describes in full the Committee’s authority, responsibilities and specific powers and can be accessed on the Company’s website at *https://www.quakerchem.com* under the heading Investors/Corporate Governance.

To the extent possible, the Committee seeks to structure the compensation of our executives so that the compensation paid to executive officers is deductible for Federal income tax purposes. The Committee may choose to provide compensation that is not deductible in order to retain or to secure the services of key executives when it determines that it is in Quaker’s best interests to do so. Section 162(m) of the Internal Revenue Code, as amended (the “Code”), imposes a $1,000,000 limit on the amount of compensation deductible by Quaker in regard to certain components of the compensation paid to certain of our executive officers. The compensation paid pursuant to our cash-based annual plan and the cash portion of our long-term incentive plan are generally designed to qualify as “performance-based compensation” for purposes of Section 162(m) and are not subject to this limitation. Base salaries and the time-based restricted stock portion of our long-term incentive plan do not qualify as “performance-based” compensation under the requirements of Section 162(m). For fiscal 2016, although the reported total compensation for Mr. Barry in the Summary Compensation Table below was in excess of $1,000,000, the $1,000,000 threshold for Section 162(m) was not exceeded. This is because performance-based compensation and the increase in Mr. Barry’s pension value were not included in determining whether the 162(m) threshold was exceeded for 2016.

Benchmarking Data

The Committee has the authority to engage independent advisors to assist it in carrying out its responsibilities. To assist Quaker in establishing a total direct compensation package comprising base salary, an annual cash incentive bonus and long-term incentives, the Committee has engaged Willis Towers Watson (“Towers

Watson"), a leading global professional services company with specific expertise in the areas of benefits, talent management, rewards and risk and capital management, as an independent consultant on compensation issues. In addition, Towers Watson has, from time to time, provided the Committee with executive compensation studies and analyses, as well as benchmarking data and counsel on compensation issues as needed or desired.

Towers Watson provided no other services to the Company in fiscal 2016 other than advising the Committee on executive compensation matters and advising the Governance Committee on board compensation matters as further discussed below. Management had no role in selecting the Committee's compensation consultant. The Committee has assessed the independence of Towers Watson pursuant to Securities and Exchange Commission rules and concluded that Towers Watson's work for the Committee and the Governance Committee does not raise any conflict of interest.

Due to our size and diversity of our businesses around the world, we have not identified one specific peer group that is appropriate to use in defining market total direct compensation for our executive officers. Our primary benchmarks for 2016 total direct compensation for our executive officers were derived from compensation information provided by Towers Watson that is a blend of Peer Group (as defined below) compensation data and broader group data comprising a composite of credible, published executive compensation surveys. The Peer Group data reflects the Peer Group developed by a previous compensation consultant as well as Towers Watson. This Peer Group includes data for 13 publicly traded firms in the chemicals industry, similar in size (as measured by revenue and market capitalization) to Quaker. The Peer Group companies are: Aceto Corporation, American Vanguard Corporation, Buckeye Technologies Inc., Cabot Microelectronics Corporation, Calgon Carbon Corporation, Hawkins, Inc., Innophos Holdings, Inc., Innospec Inc., Landec Corporation, LSB Industries, Inc., OM Group, Inc., OMNOVA Solutions Inc. and Rogers Corporation (collectively, the "Peer Group"). Data for international Managing Directors is derived from surveys for their respective geographies. Though the Committee closely analyzes the data provided by Towers Watson, it exercises its discretion in the weight it assigns to this data in making compensation decisions.

We generally aim to benchmark total direct compensation to the market 50th percentiles. We believe the philosophy of targeting total direct compensation to the market 50th percentiles reduces the possibility of excessive risk taking on the part of executives in order to achieve performance targets at the maximum levels. This approach is the starting point of the analysis as other factors are taken into consideration, including experience, breadth of responsibilities, tenure in the position, whether the position held is for succession planning purposes, overall individual performance and internal equity. We do not assign a particular weight to any of these factors but exercise discretion in this regard.

In determining 2016 compensation for the Named Executive Officers, the Committee used the benchmarking data Towers Watson had previously provided and various other factors, as described above. Ms. Hall's and Mr. Berquist's targeted total direct compensation for 2016 was between the 25th and 50th percentiles of Towers Watson's comparative data. Messrs. Barry's, Benoliel's and Nieman's targeted total direct compensation for 2016 was at or near the 50th percentile of benchmark levels based on U.S. data. Total compensation earned in 2016 for each Named Executive Officer is reflected in the Summary Compensation Table below.

Allocating Between Current and Long-Term Compensation

The Committee, in seeking to ensure the appropriate focus on performance and risk, has developed, in consultation with Towers Watson, guidelines for executive officers for allocating the desired total direct compensation package among base salary, an annual cash incentive bonus and long-term incentives. As a general philosophy, these guidelines provide that the higher the position within management the more total compensation is dependent on incentive pay and the more the incentive pay is long-term oriented. This is done to better align senior level compensation with the long-term success of the Company. These guidelines are reviewed regularly to ensure their marketplace competitiveness.

In the case of Mr. Barry, the guidelines for base salary range from 27% to 41% of total compensation, for annual cash incentive bonus from 20% to 22% of total compensation and for long-term incentives from 39% to 51% of total compensation. The applicable guidelines for our other executive officers for base salary range from 50% to 68% of total compensation, for annual cash incentive bonus from 15% to 21% of total compensation and for long-term compensation from 15% to 30% of total compensation.

Base Salary

Each year, the Committee reviews and discusses the base salaries of our executive officers. The Committee's final determination of salary increases depends on a number of factors, including market data reported by Towers Watson, specific position responsibilities and scope, experience and tenure, current job performance and Quaker's overall financial results. In the case of some of our foreign-based executive officers, salary increases may be a result of legal mandates of a particular country or region which influence the final determinations of the Committee even when similar increases were not granted to officers of comparable positions residing in the United States. Based on its analysis of all of the factors referenced above, in 2016, the Committee recommended, and the Board approved, salary increases for each of the Named Executive Officers, effective March 13, 2016. Mr. Barry's salary increase is described below under the heading "Chief Executive Officer Compensation." The other Named Executive Officers' base salary increases and total base salary received for 2016 are described in the table below:

Named Executive Officer	Initial Base Salary Rate ($)	New Base Salary Rate ($)	Base Salary Received ($)
Mary Dean Hall	350,000	355,250	354,241
D. Jeffry Benoliel	345,422	352,331	351,002
Jan F. Nieman	324,470	327,715	327,091
Joseph A. Berquist	300,300	315,315	312,428

Annual Cash Incentive Bonus

The second component of the total direct compensation package is the annual cash incentive bonus, which is determined under the Global Annual Incentive Plan ("GAIP"). The GAIP is intended to provide associates of Quaker or its subsidiaries with an opportunity to receive incentive bonuses based on the achievement of pre-established goals. Bonuses under the GAIP may be paid in cash or in Quaker common stock, although we generally pay the GAIP bonus in cash, absent unusual circumstances.

The maximum bonus that an eligible associate may earn under the GAIP for a year is a percentage of the associate's base salary. Those percentages for performance during 2016 (resulting in the GAIP payment in early 2016) are shown in the chart below. The bonus earned is based on achievement of both corporate financial and individual objectives. Corporate financial objectives are typically determined based on the budget for the coming year with the target bonus (48% of the maximum) set at or around budgeted consolidated net income. The actual bonus varies depending on actual performance. The individual objectives are further divided into regional objectives for regional associates (Mr. Berquist) and individual objectives for non-regional associates (Messrs. Barry, Benoliel and Nieman and Ms. Hall). Regional executive officers have the opportunity to earn up

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to a maximum of 18.75% (which represents 182% of target) of their base salary on achievement of their regional objectives as opposed to a maximum of 10.31% for individual objectives for non-regional associates (excluding the CEO who can earn a higher amount). The CEO can earn a maximum of 22.55% of his base salary for achieving individual objectives. The Committee determined that the higher potential individual objective percentage for the CEO is warranted due to his heightened responsibility and experience, in light of relevant market data. To achieve the maximum regional bonus, regional operating income must exceed budgeted levels and other regional financial and non-financial goals must be met. In addition, because the total amount of an individual's GAIP bonus can never exceed his or her overall maximum bonus opportunity, if the sum of the actual corporate bonus earned and the regional bonus earned exceeds the overall maximum opportunity, the regional bonus earned is limited to the individual's overall maximum opportunity. The rationale for providing this opportunity to regional executive officers is to reward them with up-side potential in years where there is strong performance in the applicable region but overall corporate performance is lower due to weakness in other regions or other factors negatively impacting the corporate component of the bonus. The specific corporate financial goals and individual goals, respectively, for performance during 2016 are discussed below under the headings "Corporate Financial Goals" and "Individual Goals."

The following chart shows, as a percentage of base salary, the maximum potential bonus and the bonus amounts payable on target achievement and maximum achievement, allocated between corporate and individual objectives for 2016. The table also shows the percentage and amount of base salary actually paid as a result of achievement during 2016.

Named Executive Officer	Maximum GAIP Bonus Opportunity (as a % of base salary)(1)	Corporate Financial Objectives (as a % of base salary)			Individual Objectives (as a % of base salary)			Total GAIP Bonus Earned and Paid ($)
		Target	Maximum	Achieved(2)	Target	Maximum(1)	Achieved(3)	
Michael F. Barry	182(4)	75.08	156.98	78.72	25.03	N/A	25.03	829,920
Mary Dean Hall	80	33.00	69.00	34.60	11.00	N/A	11.00	161,994
D. Jeffry Benoliel	80	33.00	69.00	34.60	11.00	N/A	11.00	160,663
Jan F. Nieman	80	33.00	69.00	34.60	11.00	N/A	11.00	149,438
Joseph A. Berquist	80	33.00	69.00	34.60	11.00	20.00	10.44(5)	142,018

(1) The maximum bonus payable on account of achieving corporate financial objectives and individual objectives may not exceed the overall maximum GAIP bonus opportunity. If the sum of an individual's actual corporate bonus earned and individual or regional bonus earned exceeds his or her maximum GAIP bonus opportunity, the individual or regional bonus earned is limited to the individual's maximum GAIP bonus opportunity.

(2) All eligible participants earned an award slightly above target level for the corporate component of the GAIP bonus, receiving an award equal to 50% of the maximum amount for the corporate component of such bonus. See "Corporate Financial Goals" below for further details.

(3) The Company determined that Messrs. Barry, Benoliel and Nieman and Ms. Hall each achieved their individual (personal) goals and, therefore, awarded them 100% of the target portion of the GAIP bonus attributable specifically to individual goals. (For non-regional associates, no more than the target amount may be achieved for individual goals.)

(4) In 2016, Mr. Barry's maximum annual incentive award opportunity was 182% of his base salary. The applicable maximum annual incentive award opportunity for our other Named Executive Officers was 80% of their base salary. The Committee determined that the CEO be provided with a higher GAIP maximum bonus opportunity based on benchmarking of market data for similar CEO positions.

(5) The performance of Mr. Berquist for his individual regional goals was at a level equal to 95% of the target regional opportunity he could have earned, as explained in detail below.

Corporate Financial Goals

The corporate financial goals for the 2016 GAIP bonuses were based on the Company's consolidated net income and were set at $54.7 million of net income at threshold (the level at which the bonus pool began to accumulate), $60.8 million of net income at target and $66.9 million of net income at maximum. The Committee selected these net income levels, which were approved by the Board, because of their correlation to the 2016 budgeted adjusted net income of $60.8 million, the level of improvement over 2015 adjusted net income and the difficulty of achieving these targets in a very challenging business and weak global economic environment.

When the Committee set the 2016 GAIP targets, it also approved certain significant non-budgeted business circumstances for which adjustment could be made by the Committee to the reported net income for purposes of calculating the award. They included site consolidation expenditures for consolidating U.S. operations beyond budgeted amounts; customer bankruptcies or customer plant shutdowns; change in accounting principles; unusual factors driving an increased tax rate; non-recurring adjustments to income such as asset write-downs or write-offs, restructuring and related charges and first-year acquisition costs/losses; adverse legal judgments, settlements, litigation expenses, and legal (including value-added-tax ("VAT") assessments) and environmental reserves; expenditures for discretionary Board initiated or approved corporate actions, plans or major initiatives, including individual personnel actions; changes in foreign exchange rates; and interest expense from the Company's share repurchase program. To be "significant" an individual effect must have a pre-tax impact of at least $200,000, or the pre-tax equivalent for tax adjustments. No adjustment to earnings is applied unless the aggregate total of all effects is at least $1 million on a pre-tax basis.

In 2016, reported net income was $61.4 million. Under this net income level, a corporate award equal to 54% of the corporate maximum would be earned. The Committee considered four non-budgeted items in determining the actual payout percentage. Such four non-budgeted items reflect non-GAAP items outlined in our reported financial results for fiscal 2016. The Committee used its discretion to adjust the net income amount downward to exclude the equity income from a captive insurance company and a credit related to a global restructuring program. The Committee also adjusted the net income upward to adjust for certain uncommon transaction-related costs, as well as adjusting for the currency conversion impacts of the Venezuelan Bolivar Fuerte. Accordingly, taking into account the four adjustments made by the Committee, all participants earned an award equal to 50% of the maximum potential for the corporate component of the overall GAIP bonus. The Committee determined that while the percentage award for the corporate component would have been higher if no adjustments were made, such adjustments better reflect actual Company financial performance.

Individual Goals

When setting the individual goals under the GAIP, the Committee receives specific input from the CEO and reviews the approved operating plan for the upcoming fiscal year. The CEO also recommends the goals for the other Named Executive Officers and works with the Committee to determine his own individual goals. The Committee works closely with the CEO to review and analyze the selected performance metrics and the probabilities and risks of achieving these metrics. Ultimately, the Committee approves the individual goals for the CEO and the other Named Executive Officers. For 2016, the Committee determined that these goals were difficult for the Named Executive Officers to achieve but achievable with substantial effort by each of them.

In 2016, Mr. Barry's individual goals included, among other things, achieving the 2016 financial plan (with focus areas including sales, cash flow generation and EBITDA (which we defined as net income before interest, taxes, depreciation and amortization) growth per the approved budget); executing the Company's strategic plan for each business segment (with focus areas including implementing the key account management program and customer relations management system); strengthening the Company for the future (including successfully completing cyber-security and disaster recovery programs, completing an analysis of a business transformation project in one of the Company's regions, implementing a new business intelligence system for two business segments and implementing Microsoft Office globally in 2017); making one successful acquisition, if appropriate; completing major Company programs (including the Company's safety and sustainability initiatives and the finalization of the Company's "economic value added" performance analysis for each region); and providing appropriate governance and risk management for the Company (including having no material weaknesses or restatements to earnings in 2016 and completing the Company's enterprise risk management program in 2016).

Because the Committee determined that Mr. Barry had met 100% of his established individual GAIP goals, he was awarded 100% of his individual objectives portion of the GAIP bonus. The majority of Mr. Barry's goals were qualitative in nature, however, one of Mr. Barry's goals did have quantitative components. The 2016 financial plan included focus areas of EBITDA growth and cash flow generation. Despite the challenging global economic environment, particularly in our South America region, as well as the significant negative impact of foreign exchange rate translation, adjusted EBITDA results in 2016 were records for the Company and surpassed the results from 2015. Adjusted EBITDA was up 5% from 2015, exceeding $100 million for the second consecutive year and for only the second time in Company history, and net operating cash flow increased by 1% to $73.8 million as compared to fiscal 2015. Our average stock price in 2016 was $94.74 per share compared to $83.29 per share in the prior year, a more than $11.00 increase year over year and an all-time record share price. In addition, the total shareholder return (defined as the year-over-year stock price increase or decrease plus dividends paid and reinvested in Quaker stock) for company stock was 68% in 2016.

The individual goals of the other executive officers were a mix of limited quantitative performance objectives (for the regional associate) and managerial goals, such as achieving regional business and operating budgets; achieving capital expenditure targets; achieving certain contribution margin levels; achieving certain net cash flow targets; ensuring that strategic plans are properly executed for his or her area of responsibility; continuing to implement Company safety programs to strengthen the safety culture; upgrading the Company's enterprise risk management processes and programs; developing a global rather than regional insurance program and completing an acquisition under the proper circumstances. Three of the corporate Named Executive Officers (Messrs. Benoliel and Nieman and Ms. Hall) achieved 100% of their maximum opportunity on their individual components of the annual bonus as they achieved their individual goals as outlined below. Mr. Berquist, the one regional Named Executive Officer for 2016, earned 95% of his regional target bonus opportunity. Mr. Berquist's region was below the target goal on regional profitability, but he also met many of his other regional goals (including in the health and safety, compliance and certain budgetary areas) to earn this percentage.

For 2016, the Named Executive Officers (other than Mr. Barry) had the following individual or regional goals:

- Ms. Hall had one quantitative goal of achieving certain financial targets including earnings per share, and eleven qualitative individual goals: (i) working with the business units to develop multi-year rolling capital expenditure and working capital plans and targets; (ii) developing processes to monitor and report working capital and capital expenditure results vs. plans; (iii) ensuring no significant deficiencies, material weaknesses or recurring Sarbanes-Oxley ("SOX") issues as part of the Company's internal controls testing; (iv) fully assessing the Company's economic value added models by customer and business segment; (v) completing an assessment of a business transformation project in one of the Company's regions; (vi) continuing to upgrade the Company's enterprise risk management processes and programs; (vii) developing a global insurance program; (viii) upgrading information technology capabilities globally; (ix) meeting projections for recent acquisitions and providing leadership in evaluating and pursuing acquisition opportunities as they arise; (x) upgrading certain capabilities in the treasury and cash management areas; and (xi) enhancing employee engagement and diversity and inclusion in the organization.

- Mr. Benoliel had sixteen main qualitative individual goals that focused on business strategy and strategic planning for both global and regional businesses, product research and development and technology processes across the organization and for certain specific business segments, specifically including the metalworking, can, mining, die casting and tube and pipe business. Additional goals included updating certain key strategic initiatives for the business segments, certain organizational projects in such business segments, assisting with acquisitions in his global businesses, and certain other projects related to our joint ventures and other strategic relationships.
- Mr. Nieman had one main quantitative goal of increasing the contribution margin of his global businesses and six main qualitative individual goals that focused on business strategy and planning for both global and regional businesses including: (i) delivering on the respective budgets for the Company's global grease businesses; (ii) executing the strategic plans for such businesses; (iii) driving global growth in the Company's fluid power business consistent with the strategic plan; (iv) execution of the strategic plans for the global grease businesses; (v) ensuring good execution of the Company's global marketing plans; and (vi) completing at least one acquisition under the proper circumstances.
- Mr. Berquist had thirteen principal goals for the region he supervised: (i) achieving the 2016 budgeted net income and net cash flow targets; (ii) increasing the contribution margin in his region to certain budgeted percentages; (iii) maintaining all key customer business and managing customer churn; (iv) fully evaluating the "economic value added" performance analysis and recommendations; (v) implementing the customer relations management program and meeting targets for certain strategic and priority accounts; (vi) meeting certain budget targets for certain key strategic initiatives and certain specific business segments and product lines; (vii) continuing to strengthen the safety culture and meeting certain targets in this area; (viii) ensuring SOX compliance (with no material weaknesses, significant deficiencies or recurring issues); (ix) monitoring compliance with the Foreign Corrupt Practices Act of 1977 and continuing the monitoring, auditing and training programs; (x) implementing the 2016 corporate social responsibility program goals and green chemistry regional commitments; (xi) achieving certain agreed-upon personal development actions, including senior management engagement and meeting certain diversity and inclusion goals; (xii) successfully executing the Company's account management program; and (xiii) completing at least one acquisition under the proper circumstances and meeting certain projections for several recent acquisitions. Mr. Berquist achieved 95% of his regional bonus opportunity. His region was below the target goal on profitability, but he met many of his other regional goals, including, but not limited to, health and safety results, ensuring SOX compliance and meeting certain budgetary targets for the region he supervised.

Long-Term Incentives

Although our shareholders approved the 2016 Long-Term Performance Incentive Plan ("2016 LTIP") at our 2016 annual meeting of shareholders, the long-term incentive awards discussed in the Compensation Discussion and Analysis section of this proxy statement were awarded under the 2011 Long-Term Performance Incentive Plan ("LTIP") before the 2016 LTIP was approved, unless otherwise stated. No additional grants or awards were made under the LTIP after our shareholders approved the 2016 LTIP, but any grants made before the 2016 annual meeting of shareholders continue in effect.

Under the LTIP, stock options, restricted stock, long-term cash payments and other types of awards can be made to participants. This plan is intended to assist us in attracting, retaining and motivating employees, non-employee directors and consultants through the use of compensation that rewards long-term performance. The use of stock-based compensation in our long-term incentive plan balances the cash-based annual incentive bonus and cash portion of our long-term performance plan. The Committee believes that stock ownership by management and equity-based performance compensation arrangements are useful tools to align the interests of management with those of Quaker's shareholders. Under the LTIP, a three-year performance period is used. Generally, employees selected as award recipients hold key positions impacting the long-term success of Quaker and its subsidiaries. These awards are based on overlapping three-year performance periods, so a new program starts each year and a payment is made each year, if earned.

Under the Company's LTIP, in 2014, Mr. Barry and the other Named Executive Officers (except Ms. Hall, given her election as CFO by the Board on November 30, 2015) were awarded options, time-based restricted stock and a target cash award for the 2014-2016 performance period. Payment of the cash award was dependent upon achieving a pre-determined targeted performance over the three-year period based on the Company's relative total shareholder return ("TSR") as compared to the TSR of the S&P SmallCap 600 (Materials Group). The threshold for the TSR target was relative performance at the 30^{th} percentile of the comparison group, target was at the 50^{th} percentile and maximum was at the 85^{th} percentile. For this period, Quaker's TSR of 86% equated to a peer group ranking in the 92^{nd} percentile of the comparison group warranting a payout of 100% of maximum. For these purposes, TSR is calculated by using the one-month average stock price at the end of the performance period, divided by the one-month average stock price at the beginning of the performance period, plus any dividends paid over that period.

The Committee reviewed current trends in long-term compensation practices with Towers Watson. The most recent review confirmed that Quaker's practices were generally consistent with those of other public companies and are as follows:

- Provide for three types of awards (cash, restricted stock and options) to senior executives, including the Named Executive Officers, but limit awards for lower level executives and senior management to cash and restricted stock.
- The cash portion of the Company's LTIP is performance-based. The performance criteria for the cash payment is a single metric, relative TSR over the applicable period as compared to the S&P SmallCap 600 (Materials Group). By tying the cash award to shareholder value, it allows a market metric to be used as a performance measure without accounting complications.
- Restricted stock is time-based and vests at the end of three years assuming continued employment of the grantee. These restricted shares are eligible for dividends payable at the time dividends are paid generally.
- Options are time-based and vest in three equal installments over a three-year period commencing with the anniversary of the date of grant.

The relative value of each of the three categories of awards is roughly equal at the time of grant assuming target performance for the cash portion. The starting point for determining the Named Executive Officers' LTIP award is to first determine the percentage of base pay for each position at the 50^{th} percentile of market comparables. Similar to the other components of total direct compensation, other factors in determining the actual percentage of base salary are taken into consideration such as experience, breadth of responsibilities, tenure in the position, whether the position held is for succession planning purposes, overall individual performance and internal equity. Based on recommendations from the Committee's outside compensation consultants as to typical plan design, the Committee decided to divide the total LTIP award into three components, allocated equally (based on fair value) to stock options, restricted stock and a target cash award.

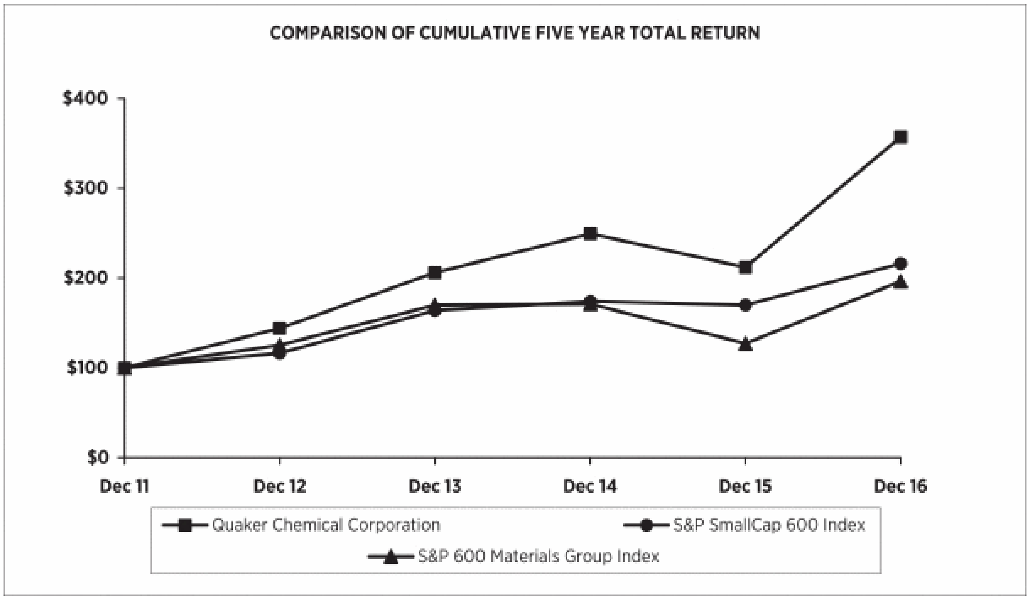
In the first quarter of 2016, the Committee selected participants for the 2016-2018 performance period, including all of the Named Executive Officers. The specific amount of each award was determined based on market data provided by Towers Watson, as well as the relative position and role of each executive officer within the Quaker organizational structure, influence on long-term results, past practice, performance factors independent of the terms and amounts of awards previously granted and policy targets for the mix of compensation between base salary, annual and long-term incentives. The Committee determined that the use of the percentage of base salary has at times caused internal inequity issues. To mitigate this dynamic, the Committee has begun to use market data related to a percentage of base salary with application of an absolute value in making awards determination for similarly valued positions of Vice President, Chief Financial Officer and Treasurer; Vice President and Managing Director – North America; Vice President and Global Leader – Grease and Fluid Power, Global Strategy and Marketing; and Vice President and Global Leader – Metalworking, Can and Mining. The Committee agreed with the proposed recommendations for total LTIP valuation of each executive. The target award for Mr. Barry was 188% of base salary while for the other Named Executive Officers the range was 46% to 51% of base salary. The comparative data indicated that the CEO's LTIP target awards percentage should be higher than the other Named Executive Officers because his leadership role in the global organization and level of responsibility and experience warrants the greater percentage opportunity.

For the 2016-2018 performance period, Mr. Barry received a long-term incentive grant consisting of a target cash award opportunity of $500,000, 6,932 shares of restricted stock and 33,867 options. The other Named Executive Officers, with the exception of Ms. Hall, each received a target cash award opportunity of $53,736, 745 shares of restricted stock and 3,639 options. Per the terms of her Memorandum of Employment dated November 30, 2015, Ms. Hall's award for the 2016-2018 performance period included a target cash award opportunity of $56,667, 785 shares of restricted stock and 3,838 options.

The exercise price of options awarded under the LTIP is not less than 100% of the "fair market value" of a share of Quaker common stock on the date the option was granted, which is defined as the last sale price for a share of common stock as quoted on the NYSE for that date or, if not reported on the NYSE for that date, as quoted on the principal exchange on which the common stock is listed or traded, and if no such sales are made on that date, then on the next preceding date on which there are such sales.

Comparative Stock Price Performance Graph

The following graph compares the cumulative total return (assuming reinvestment of dividends) from December 31, 2011 to December 31, 2016 for (i) Quaker's common stock, (ii) the S&P SmallCap 600 Index (the "SmallCap Index"), and (iii) the S&P 600 Materials Group Index (the "Materials Group Index"). The graph assumes the investment of $100 on December 31, 2011 in each of Quaker's common stock, the stocks comprising the SmallCap Index and the stocks comprising the Materials Group Index.



	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016
Quaker Chemical Corporation	$ 100	$ 141.44	$ 205.51	$ 249.10	$ 212.23	$ 356.64
S&P SmallCap 600 Index	100	116.33	164.38	173.84	170.41	215.67
S&P 600 Materials Group Index	100	125.30	170.16	170.67	126.90	196.31

Chief Executive Officer Compensation

The Committee generally uses the same factors in determining the compensation of the CEO as it does for the other executive officers. The Committee considers CEO compensation in the Peer Group and the benchmarking data provided by Towers Watson as a starting point for determining competitive compensation. The Committee then, in consultation with the CEO, develops Company performance objectives for the CEO and periodically assesses the performance of the CEO. The Committee also evaluates how much the CEO should be compensated in relation to the other Company executives, but the Committee has not adopted any formula linking the level of CEO compensation to that of other executives. Based on Mr. Barry's level of responsibility, experience, market data and the Company's performance, the Committee determined that Mr. Barry's pay was in an appropriate range in absolute terms and as compared to the other executive officers. Mr. Barry's base salary at the start of 2016 was $760,000 and, based on Mr. Barry's level of responsibility, experience, market data and the Company's performance, he received a raise, effective March 16, 2016, to $800,000. Accordingly, the total base salary Mr. Barry received for 2016 was $792,308. Additionally, given Mr. Barry's tenure as CEO and in recognition of the record Company results over the past several years and the significant shareholder value created over the same time period, including a Company-record average stock price in 2016, he received a raise, effective on March 12, 2017, to $825,000. The Committee determined this increase to be appropriate given the overall Company performance and that it and the awards discussed in the next paragraph keep Mr. Barry's total direct compensation generally within comparable market data. For more information on the terms of Mr. Barry's employment and compensation, please refer to the section below titled "Mr. Barry's Employment Agreement."

In 2016, Mr. Barry's total bonus potential under the GAIP was 100% of his base salary at target and 182% of his base salary at maximum if all goals were met. For 2017, Mr. Barry's total bonus potential under the GAIP will be 100% of his base salary at target and 182% of his base salary at maximum if all goals are met. For the 2016-2018 performance period, Mr. Barry received a long-term incentive grant opportunity of $1,500,000 at target which equates to 182% of his base salary. For the 2017-2019 performance period, Mr. Barry received a long-term incentive grant opportunity of $1,650,000 at target under the 2016 LTIP, which equates to approximately 200% of his new base salary of $825,000. The Committee determined that these increases in Mr. Barry's incentive compensation were warranted due to his increased experience and tenure in the position, and also due to the Company's continued strong financial and overall performance and the consistently large increase in shareholder value over the past several years. The Committee determined these increases to be particularly appropriate because they keep Mr. Barry's total direct compensation generally within comparable market data.

Stock Ownership Policy

To align the interests of executive officers with the interests of our shareholders, each of the Named Executive Officers must maintain a minimum ownership in Quaker stock. For the CEO, the minimum is five times his base salary and for our other Named Executive Officers the minimum is one and one-half times the executive's base salary. The ownership levels must be attained by the end of five years after the later of the appointment of the person as an executive officer (including the Named Executive Officers) or the date the policy was modified. All of the Named Executive Officers were in compliance with the stock ownership policy as of June 30, 2016 when last reviewed by the Committee. The Committee reviews the ownership levels once per year typically in the mid-year timeframe.

Retirement Benefits

U.S. Qualified Defined Benefit Plan

Before 2006, most of Quaker's U.S. employees were covered by a non-contributory qualified defined benefit retirement plan. The plan, when originally adopted, had a traditional final pay formula for calculating a participant's benefit which had been modified over the years. In 2001, a new formula was adopted. It is an accrual-based formula providing for annual credits of 3% to 7% of an employee's salary depending on age and service, with interest on the balance accruing based on the average rate of interest on 30-year treasury bonds (or 3.79%, if more). Participants who have reached the age of 60 and have at least 10 years of service are eligible for early retirement. The pension benefit is now calculated based on the benefit accrued under the old formula as of December 31, 2000, and then under the new formula commencing January 1, 2001. In 2005, the pension plan benefits were frozen for all non-union participants, including all U.S. based executive officers, resulting in no further increase in pension benefits for compensation or service after such date. In 2013, the pension plan benefits were frozen for union participants.

Foreign Plans

Mr. Nieman's retirement benefits are provided under a defined benefit pension plan maintained by the Company's Netherlands operating subsidiary. In 2013, Mr. Nieman's employment with such subsidiary ended and he became employed directly by the Company and is no longer accruing further additional benefits in this plan.

The salary ceiling for the calculation of Mr. Nieman's retirement benefits remains at E.U. Euros 250,000. Since 2004, the Netherlands plan has had a career average pay formula that provides for a target retirement benefit of 80% of career average salary assuming employment of 40 years. In 2004, the formula was modified freezing salary levels at then current levels for pension purposes, with annual increases according to increases in the wage index. To the extent the increase in inflation exceeds 3%, half of the excess will be added to the assumed rate of annual increases with a maximum of 4%. Prior to 2004, the plan was a final salary plan and provided 70% of final salary assuming employment of 40 years. For pension purposes, pensionable salary is defined as 14.02 times monthly salary. Pension liabilities under this plan are funded through an insurance policy.

Nonqualified Supplemental Retirement Income Program

We also provide supplemental retirement income to certain of our U.S. based executive officers. Executive officers are designated by the Committee to participate in the Supplemental Retirement Income Program ("SRIP").

At this time, Messrs. Barry and Benoliel are the only active executive officers participating in the SRIP. It provides an annual benefit of 50% of the participant's pre-tax "average annual compensation," reduced by three offsets and further reduced if the participant completes fewer than 30 years of service. This benefit is generally payable over the participant's lifetime, starting within seven months after the participant's retirement (on account of disability or after attaining age 62), or starting after the participant's 65th birthday (if the participant's employment terminates after five years of participation but before retirement). Other benefit forms are 36 monthly installments (if payments start after the participant attains age 65) or monthly payments over the lifetime of the participant with a lump sum payable to his surviving beneficiary. However, benefits are payable in a lump sum if the present value of the participant's benefit does not exceed a Code limit ($18,000 for distributions in 2016) or if the participant dies or a change in control occurs.

Average annual compensation is defined for this program as the average of the participant's annual base compensation and annual bonuses paid in the three calendar years (of the last ten) in which such amounts were the highest. The offsets are the participant's annual Social Security benefit (based on certain assumptions), the annual benefit payable to the participant over his lifetime under the qualified defined benefit retirement plan discussed above, and the aggregate amount of the qualified non-elective contributions made on the participant's behalf under the Quaker Chemical Corporation Retirement Savings Plan (plus assumed earnings) expressed as an annual benefit payable over the participant's lifetime. The service reduction is equal to 3.333% for each year (or partial year) of service fewer than 30 completed by the participant.

For the two remaining active participants in SRIP, their accrued benefit is the greatest of:

1. the benefit payable under the formula set forth in the SRIP as in effect prior to January 1, 2005, based on the participant's salary plus bonus and years of employment when he attained age 55; or
2. the sum of the benefit the participant would have accrued as of December 31, 2006, under the formula set forth in the SRIP as in effect prior to January 1, 2005, based on the participant's salary plus bonus and years of employment at December 31, 2006, plus the benefit the participant accrues under the new formula, described above, but disregarding service completed before 2007; or
3. the amount determined under the new formula described above.

Mr. Barry is entitled to receive additional service and age credit (18 months, in the case of termination other than on account of death, “disability” or by us for “cause” or a “covered termination,” as the latter term is defined in his Change in Control Agreement and 24 months in the event of a “covered termination,” as such term is defined in his Change in Control Agreement) for all purposes under the SRIP, including for purposes of determining Mr. Barry’s eligibility for the “age 55” formula described in 1, above.

Severance and Change in Control Benefits

The Committee believes that appropriate severance and change in control benefits are an important part of the total compensation benefits package because they enhance our ability to compete for talent and foster stability in our management. Quaker has entered into employment agreements with each of our Named Executive Officers, pursuant to which severance benefits are payable to each of them and has also entered into change in control agreements with each of them pursuant to which the executive officers will receive certain benefits if they are terminated within a specified period following (or with respect to Mr. Nieman, a specified period before) a change in control of Quaker. In determining amounts payable, the Committee seeks to provide severance benefits sufficient to allow our executives time to find a comparable position elsewhere and change in control benefits sufficient to induce our executives to support a change in control transaction fully and remain with us despite any risk of termination after the transaction.

Mr. Barry’s Employment Agreement

Mr. Barry is employed pursuant to an employment agreement that automatically renews for one-year terms unless either Quaker or Mr. Barry gives 90 days’ prior notice of non-renewal. In accordance with the terms of the employment agreement, the Committee reviews and adjusts Mr. Barry’s annual base salary each year. The total base salary Mr. Barry received for 2016 was $792,308. Mr. Barry is eligible to participate in our GAIP and LTIP (and now, the 2016 LTIP), as well as certain other benefit programs as discussed earlier in this proxy statement.

Mr. Barry’s employment agreement provides that upon the termination of his employment for any reason, except for death or “disability,” or by us for “cause,” or a “covered termination,” as this latter term is defined in his Change in Control Agreement, Quaker will pay him 18 monthly severance payments that, in the aggregate, are equal to 150% of his base salary at the time of termination plus a bonus equal to the average annual bonus paid to him under Quaker’s annual incentive compensation in the applicable three-year period, excluding from the average any year in which no amounts were paid. In general, this three-year period would be expected to be the year of termination and the two preceding years (if Mr. Barry received a bonus in the year of his termination), or otherwise, the three calendar years prior to his termination of employment.

In addition to the payments described above, Mr. Barry is entitled to 18 months of medical and dental coverage at a level equal to the coverage provided before his date of termination of employment and the severance allowance will be taken into account in determining his retirement benefit under the SRIP. In addition, an additional 18 months of service and age will be credited in determining this retirement benefit. See the discussion under the caption “Potential Payments Upon Termination or Change in Control” in this proxy statement. Mr. Barry’s severance payments are contingent upon signing a form of release satisfactory to Quaker.

“Cause” is defined under Mr. Barry’s employment agreement as willful and material breach of the terms of his employment agreement (after having received notice thereof and a reasonable opportunity to cure or correct) or dishonesty, fraud, willful malfeasance, gross negligence or other gross misconduct, in each case relating to the performance of Mr. Barry’s duties to Quaker that is materially injurious to the Company, or a conviction of or guilty plea to a felony. A “covered termination” is termination of Mr. Barry’s employment within two years following a change in control by the Company without cause or by Mr. Barry for “good reason” (as defined in the change of control agreement between the Company and Mr. Barry).

In the case of termination of employment because of disability, Mr. Barry will be entitled to 50% of applicable pay during the period that benefits are payable under our long-term disability plan. In the case of termination of employment because of death, Mr. Barry’s beneficiary would receive in a lump sum the higher of two times his annual base salary for the year in which his death occurred or the death benefit (as a multiple of base salary) to which any other executive officer would be entitled. The Company currently has a program in which all Named Executive Officers participate entitling each to a death benefit equal to 100% of base salary in the year of death and 50% of base salary in each of the four years thereafter. Mr. Barry would be entitled to this death benefit as it provides a greater benefit than that provided under his employment agreement. See the discussion under the caption “Potential Payments Upon Termination or Change in Control” in this proxy statement.

In the case of a termination (other than for death, disability, by us for “cause,” or by Mr. Barry other than for “good reason”) within two years following a change in control, Mr. Barry would, instead of the payments described above, be entitled to payment equal to two times the sum of his highest annualized base salary during his employment plus an amount equal to the greater of (i) the average of the annual amounts paid to him under all bonus and annual incentive plans during the applicable three calendar-year period described in Mr. Barry’s change in control agreement, excluding from the average any year in which no amounts were paid, or (ii) the target bonus which would have otherwise been payable to Mr. Barry for the calendar year in which the change in control transaction occurred. In general, this three-year period would be expected to be the year of termination and the prior two years (if Mr. Barry received a bonus in the year of his termination) or, otherwise, the three calendar years prior to his termination of employment.

In addition, Mr. Barry would be entitled to receive (i) his earned but unpaid base salary through the date of termination at the current rate, or if higher, at the rate in effect at any time during the 90-day period preceding the change in control; (ii) any unpaid bonus or annual incentive payable to him in respect of the calendar year ending prior to termination; (iii) the pro rata portion of any and all unpaid bonuses and annual incentive awards for the calendar year in which the termination occurs which would have been payable had the target level of performance been achieved for the calendar year; and (iv) the pro rata portion of any and all awards under the LTIP for the performance period(s) in which the termination occurs, which would have been payable had the target level of performance been achieved for the performance period. In addition, Mr. Barry’s severance allowance will be taken into account in determining his retirement benefit under the SRIP and an additional 24 months of service and age will be credited in determining this retirement benefit. Mr. Barry is also entitled to one-year outplacement services and participation in our medical, dental and life insurance programs as if still employed for a period of two years. To the extent the severance allowance, together with any other payments contingent upon a change in control, exceed the limits under Code section 280G (generally, three times Mr. Barry’s average annual compensation for the prior five years), the severance allowance will be reduced to the extent necessary to avoid the disallowance of a deduction under Code section 280G or imposition of the excise tax under Code section 4999 (assuming reduction of the severance allowance is the least economically detrimental to him). The Committee believes that providing benefits for Mr. Barry’s termination within two years following a change in control is fair because he has the broadest responsibility and accountability in ensuring the success of our business and would be crucial to retain in any change in control. This is consistent with our philosophy of tying compensation to level of responsibility and influence over the Company’s results and performance. See the discussion under the caption “Potential Payments Upon Termination or Change in Control” in this proxy statement. These benefits will be paid or provided only if Mr. Barry signs a general release of claims unless prohibited by local law.

Mr. Barry's employment agreement contains a confidentiality and an 18-month non-competition provision, in the event of termination for any reason. In addition, Mr. Barry's change in control agreement contains a confidentiality and a 24-month non-competition provision, in the event of termination for any reason. If a court were to determine that he breached these provisions, the Company's obligations to make payments under the agreements would terminate.

Other Named Executive Officers

Messrs. Benoliel, Nieman and Berquist and Ms. Hall are each entitled to severance under their respective employment agreements if the Company terminates their employment (other than in the case of termination for "cause" (for those agreements where "cause" is defined), disability, death or retirement) equal to 12 months base salary at their then current rate of salary. In the agreements, "cause" generally means: (i) willful and material breach of their memorandum of employment; (ii) dishonesty, fraud, willful malfeasance, gross negligence or other gross misconduct, in each case relating to the performance of duties which is materially injurious to Quaker; or (iii) conviction of or plea of guilty or nolo contendere to a felony. Messrs. Benoliel, Nieman and Berquist and Ms. Hall are also entitled to reasonable outplacement assistance under their respective employment agreements. Messrs. Benoliel's, Nieman's and Berquist's and Ms. Hall's severance payments are contingent upon signing a form of release satisfactory to Quaker. None of the Named Executive Officers are entitled to severance under their employment agreements if they terminate their employment voluntarily, even if for good reason. Under their respective employment agreements, Messrs. Benoliel, Nieman and Berquist and Ms. Hall would receive any severance payments in semi-monthly installments. See also the discussion under the caption "Termination Other than for Cause, Disability, Death or Retirement" in this proxy statement.

Quaker has entered into change in control agreements with each of its Named Executive Officers. Under these agreements (Mr. Barry's is described above), the officers other than Mr. Barry are entitled, if terminated (other than for disability, death, by us for "cause," or by the executive officer other than for "good reason") within two years following (or within six months before, with respect to Mr. Nieman) a change in control, to severance in an amount equal to 1.5 times the sum of highest annualized base salary plus an amount equal to the average of the total annual amounts paid to the executive under all applicable annual incentive compensation plans during the applicable three calendar-year period described in the change in control agreements, excluding from the average any year in which no amounts were paid. In general, this three-year period would be expected to be the year of termination and the prior two years (for Messrs. Benoliel and Berquist and Ms. Hall, if the executive received a bonus in the year of the executive's termination of employment) or, otherwise, the three calendar years prior to the year of his or her termination of employment. See the discussion under the caption "Potential Payments Upon Termination or Change in Control" in this proxy statement. In addition, these executive officers are entitled to receive (i) earned but unpaid base salary through the termination at the rate in effect on the date of termination or, if higher, at the rate in effect at any time during the 90-day period preceding the change in control; (ii) any unpaid bonus or annual incentive payable to the executive in respect of the calendar year ending prior to the termination; (iii) the pro rata portion of any and all unpaid bonuses and annual incentive awards for the calendar year in which the termination occurs based on target performance for Messrs. Benoliel, Nieman and Berquist and for Ms. Hall; and (iv) the pro rata portion of any and all awards under the Company's LTIP for the performance period(s) in which the termination occurs, which would have been payable had the target level performance been achieved for the performance period.

In addition to the amounts described above, our other Named Executive Officers are also entitled to one-year outplacement services and participation in our medical, dental and life insurance programs as if still employed for a period of 18 months. These benefits will be paid or provided only if the executive officer signs a general

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release of claims unless prohibited by local law. In addition, the benefits and payments will be discontinued if the executive officer violates the confidentiality provisions of his or her respective change in control agreement (at any time) or the non-compete provisions of the change in control agreement (during employment or the one-year period thereafter). To the extent the severance allowance, together with any other payments contingent upon a change in control, exceed the limits under Code section 280G (generally, three times the individual’s average annual compensation for the prior five years), the severance allowance will be reduced to the extent necessary to avoid the disallowance of a deduction under Code section 280G or imposition of the excise tax under Code section 4999 (assuming reduction of the severance allowance is the least economically detrimental to the executive).

In the change in control agreements “cause” generally means: (i) the willful and material breach of the employment agreement between the executive and Quaker (after having received notice and the reasonable opportunity to correct); (ii) dishonesty, fraud, willful malfeasance, gross negligence or other gross misconduct, in each case relating to the performance of the executive’s employment with Quaker which is materially injurious to Quaker; or (iii) conviction of or plea of guilty to a felony. “Good reason” includes, other than by reason of executive’s death or disability: (i) any reduction in the executive’s base salary from that provided immediately before the “covered termination” or, if higher, immediately before a change in control; (ii) any reduction in the executive’s bonus opportunity (including cash or noncash incentives) or increase in the goals or standards required to accrue that opportunity, as compared to the opportunity and goals or standards in effect immediately before the change in control; (iii) a material adverse change in the nature or scope of the executive’s authorities, powers, functions or duties from those in effect immediately before the change in control; (iv) a reduction in the executive’s benefits from those provided immediately before the change in control, disregarding any reduction under a plan or program covering employees generally that applies to all employees covered by the plan or program; or (v) the executive being required to accept a primary employment location which is more than 25 miles from the location at which he or she was primarily employed during the 90-day period prior to a change in control.

Other Benefits on Termination

In addition to the payments and benefits discussed above, the executive officers are entitled to the payments and benefits that are available to all employees on termination of employment, including vested benefits under the Company’s qualified defined benefit retirement plan and 401(k) plan, short-term and long-term disability benefits (in the event of disability) and life insurance benefits (in the case of death).

Perquisites and Other Benefits

As a general matter, the Company does not provide perquisites to its executive officers, other than an allowance for financial planning services. In Asia and Europe, consistent with regional compensation practices, cars are provided to mid and upper level managers. For more details on these perquisites, please refer to footnote 4 to the Summary Compensation Table.

COMPENSATION COMMITTEE REPORT

Compensation Committee Report

The Compensation/Management Development Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis section included above with management and, based on such review and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and in Quaker's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 for filing with the SEC.

Compensation/Management Development Committee

Robert H. Rock, Chairman
Donald R. Caldwell
Jeffry D. Frisby
William H. Osborne

COMPENSATION TABLES

Executive Compensation Tables

Summary Compensation Table

The table below summarizes the total compensation awarded to, paid to, or earned by each of our executive officers who are named in the table. In this proxy statement, we sometimes refer to this group of individuals as our "Named Executive Officers."

Name and Principal Position (a)	Year (b)	Salary ($)(c)	Bonus ($)(d)	Stock Awards(1) ($)(e)	Option Awards(1) ($)(f)	Non-Equity Incentive Plan Compensation(2) ($)(g)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings(3) ($)(h)	All Other Compensation(4) ($)(i)	Total ($)(j)
Michael F. Barry Chairman of the Board, Chief Executive Officer and President	2016 2015 2014	792,308 749,583 702,708	0 0 0	499,936 409,961 390,493	499,998 409,935 390,476	1,610,920 1,280,448 1,243,618	864,000 0 795,000	53,844 51,435 50,067	4,321,006 2,901,362 3,572,362
Mary Dean Hall Vice President, Chief Financial Officer and Treasurer	2016 2015	354,241 30,513	0 0	56,614 299,924	56,663 0	161,994 144,375	0 0	13,400 100,000	642,912 574,812
D. Jeffry Benoliel Vice President and Global Leader – Metalworking, Can and Mining	2016 2015 2014	351,002 343,326 333,731	0 0 0	53,729 51,158 48,711	53,725 51,147 48,730	258,142 240,506 232,465	139,000 0 344,000	22,068 18,936 22,221	877,666 705,073 1,029,858
Jan F. Nieman Vice President and Global Leader – Grease and Fluid Power, Global Strategy and Marketing	2016 2015 2014	327,091 323,145 318,108	0 0 0	53,729 51,158 48,711	53,725 51,147 48,730	246,917 231,549 225,098	0 0 0	24,752 26,084 26,424	706,214 683,083 667,071
Joseph A. Berquist Vice President and Managing Director – North America	2016 2015	312,428 297,321	0 0	53,729 51,158	53,725 51,147	239,497 231,802	2,000 0	26,641 23,602	688,020 655,030

(1) The amounts in columns (e) and (f) reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for outstanding equity awards under the Company's LTIP. Assumptions used in the calculation of these amounts for 2016 are included in Note 5 of Notes to Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

(2) The amounts in column (g) are incentive cash bonuses earned in 2016 and payable in 2017 under the LTIP ($781,000 for Mr. Barry; $0 for Ms. Hall; $97,479 for Mr. Benoliel; $97,479 for Mr. Nieman; and $97,479 for Mr. Berquist) and the Company's Global Annual Incentive Plan ("GAIP") ($829,920 for Mr. Barry; $161,994 for Ms. Hall; $160,663 for Mr. Benoliel; $149,438 for Mr. Nieman; and $142,018 for Mr. Berquist).

(3) The amounts shown in column (h) reflect the actuarial increase or decrease in the present value of the Named Executive Officer's benefits under all pension plans established by the Company determined by using the interest rate and mortality rate assumptions consistent with those used in the Company's financial statements. See Note 17 of Notes to Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. The present value of Messrs. Barry's, Benoliel's, and Berquist's benefits under all pension plans established by the Company

increased by $864,000, $139,000, and $2,000 respectively. The increase in the present value of the retirement benefits realized in 2016 over the value realized in 2015 was primarily due to aging and the impact of the decrease in the discount rated used to determine the values of the pension benefits, as well as salary growth, and an additional SRIP accrual for Mr. Barry.

(4) Includes employer contributions by the Company to the U.S. based Named Executive Officers pursuant to the Company's Retirement Savings Plan: $15,194 for Mr. Barry; $6,639 for Ms. Hall; $15,900 for Mr. Benoliel; $17,852 for Mr. Nieman; and $17,852 for Mr. Berquist.

Includes dividends paid on time-based restricted stock awards: $21,881 for Mr. Barry; $4,866 for Ms. Hall; $2,668 for Mr. Benoliel; $4,588 for Mr. Nieman; and $7,988 for Mr. Berquist.

Includes the costs associated with financial planning services: $8,000 for Mr. Barry; $1,895 for Ms. Hall; $3,500 for Mr. Benoliel; $2,311 for Mr. Nieman and $800 for Mr. Berquist.

Includes the payment for unused vacation: $8,769 for Mr. Barry.

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COMPENSATION TABLES

Grants of Plan-Based Awards

Provided below is information on grants made in 2016 to the Named Executive Officers under the Company's LTIP. In February 2016, awards for the 2016-2018 period were made to the Named Executive Officers consisting of options vesting in three approximately equal installments over the three-year period, time-based restricted stock vesting after the three-year period and a cash bonus opportunity. See discussion under the heading "Long-Term Incentives" under the Compensation Discussion and Analysis section in this proxy statement.

Name (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (2) (#)(i)	All Other Option Awards: Number of Securities Underlying Options (3) (#)(j)	Exercise or Base Price of Option Awards (4) ($/Sh)(k)	Grant Date Fair Value of Stock and Option Awards (5) ($)(l)
		Threshold ($)(c)	Target ($)(d)	Maximum ($)(e)	Threshold (#)(f)	Target (#)(g)	Maximum (#)(h)				
Michael F. Barry	2/23/16	200,000	500,000	1,000,000	0	0	0	6,932	33,867	72.12	999,933
Mary Dean Hall	2/23/16	22,667	56,667	113,334	0	0	0	785	3,838	72.12	113,277
D. Jeffry Benoliel	2/23/16	21,494	53,736	107,472	0	0	0	745	3,639	72.12	107,454
Jan F. Nieman	2/23/16	21,494	53,736	107,472	0	0	0	745	3,639	72.12	107,454
Joseph A. Berquist	2/23/16	21,494	53,736	107,472	0	0	0	745	3,639	72.12	107,454

(1) The amounts shown in column (c) reflect the minimum payment level under the Company's LTIP, which is 20% of the maximum amount shown in column (e). The amount shown in column (e) is 200% of each target amount shown in column (d). The value or maturation of a performance incentive unit is determined by performance over a three-year period based on relative total shareholder return against a pre-determined peer group.

(2) The amounts shown in column (i) for awards granted on February 23, 2016 reflect the number of shares of time-based restricted stock awarded under the LTIP with full vesting on February 23, 2019.

(3) The amounts shown in column (j) reflect the combination of incentive and non-qualified options which were issued under the LTIP. These options vest one-third on each of the first, second and third anniversaries of the grant date, commencing on February 23, 2017.

(4) With respect to the awards granted on February 23, 2016 under the provisions of the LTIP, the exercise price of the option is equal to the fair market value, which is defined as the last reported sale price on the grant date.

(5) The amounts included in column (l) represent the full grant date fair value of the awards computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are described in Note 5 of Notes to Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards					Stock Awards			
Name (a)	Number of Securities Underlying Unexercised Options(1) (#) Exercisable (b)	Number of Securities Underlying Unexercised Options(1) (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)(d)	Option Exercise Price ($)(e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#)(g)	Market Value of Shares or Units of Stock That Have Not Vested(2) ($)(h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(j)
Michael F. Barry	0	5,900	0	73.47	2/27/2021	5,315(3)	680,001	0	0
	0	11,931	0	87.30	2/25/2022	4,696(4)	600,806		
	0	33,867	0	72.12	2/23/2023	6,932(5)	886,880		
Mary Dean Hall	0	3,838	0	72.12	2/23/2023	2,639(6)	337,634	0	0
						785(5)	100,433		
D. Jeffry Benoliel	736	736	0	73.47	2/27/2021	663(3)	84,824	0	0
	0	1,488	0	87.30	2/25/2022	586(4)	74,973		
	0	3,639	0	72.12	2/23/2023	745(5)	95,315		
Jan F. Nieman	0	736	0	73.47	2/27/2021	663(3)	84,824	0	0
	0	1,488	0	87.30	2/25/2022	586(4)	74,973		
	0	3,639	0	72.12	2/23/2023	745(5)	95,315		
Joseph A. Berquist	710	0	0	58.26	3/5/2020	4,000(7)	511,760	0	0
	736	736	0	73.47	2/27/2021	663(3)	84,824		
	745	1,488	0	87.30	2/25/2022	586(4)	74,973		
	0	3,639	0	72.12	2/23/2023	745(5)	95,315		

(1) The options have a seven-year term. The vesting schedules for each of the grants whose expiration dates are listed follow: March 5, 2020, February 27, 2021 and February 25, 2022 and February 23, 2023, one-third on each of the first, second and third anniversaries of the grant date. For options expiring March 5, 2020, the grant date is March 5, 2013. For options expiring on February 27, 2021, the grant date is February 27, 2014. For options expiring on February 25, 2022, the grant date is February 25, 2015. For options expiring on February 23, 2023, the grant date is February 23, 2016.

(2) Reflects amounts based on the closing market price of the Company's common stock on the NYSE of $127.94 per share on December 30, 2016.

(3) Time-based restricted stock awards granted under the LTIP which vested on February 27, 2017.

(4) Time-based restricted stock awards granted under the LTIP which vest on February 25, 2018.

(5) Time-based restricted stock awards granted under the LTIP which vest on February 23, 2019.

(6) Time-based restricted stock award granted under the LTIP of 3,519 shares. 880 shares vested on June 1, 2016; 880 shares vest on June 1, 2017; 880 shares vest on June 1, 2018; and 879 shares vest on June 1, 2019.

(7) Time-based restricted stock award granted under the LTIP of 4,000 shares. 2,000 shares vested on March 5, 2017 and 2,000 shares vest on March 5, 2018.

Option Exercises and Stock Vested

This table shows the number and value of stock options exercised and stock awards vested during 2016 by the Named Executive Officers.

	Option Awards		Stock Awards	
Name (a)	Number of Shares Acquired on Exercise(1) (#)(b)	Value Realized on Exercise(2) ($)(c)	Number of Shares Acquired on Vesting (#)(d)	Value Realized on Vesting(6) ($)(e)
Michael F. Barry	33,926	1,888,621	4,891(3)	399,839
Mary Dean Hall	0	0	880(4)	77,070
D. Jeffry Benoliel	6,299	409,956	796(3)	65,073
Jan F. Nieman	2,928	167,538	796(3) 3,000(5)	65,073 265,170
Joseph A. Berquist	0	0	796(3)	65,073

(1) The amounts shown in column (b) reflect the total number of shares acquired on exercise. Messrs. Barry, Benoliel and Nieman elected to surrender shares to pay for the cost of the exercise and tax withholding. The net number of shares received are as follows: 9,010 for Mr. Barry; 2,751 for Mr. Benoliel; and 1,039 for Mr. Nieman.

(2) Reflects the difference between the exercise price of the option and the last reported sale price for a share of common stock as quoted on the NYSE on the date of exercise. The value of exercising stock options can be realized in cash or in stock. Of the value realized on exercise, all amounts reflect the value in cash.

(3) Represents a time-based restricted stock award under the LTIP which vested 100% on March 5, 2016.

(4) Represents 880 shares of a time-based restricted stock award under the LTIP of 3,519 shares which vested 25% on June 1, 2016.

(5) Represents 3,000 shares of a time-based restricted stock award of 4,000 shares under the LTIP which vested 75% on July 1, 2016.

(6) Amounts reflect the closing price of the Company's common stock on March 5, 2016 at $81.75 per share, on June 1, 2016 at $87.58 per share and on July 1, 2016 at $88.39 per share.

Pension Benefits

The table below shows the present value of accumulated benefits payable to each of the Named Executive Officers and the number of years of service credited to each under each of the Pension Plans and the Supplemental Retirement Income Program under which they are (or may be) entitled to receive payments and benefits. Ms. Hall is not listed in the table below because she does not participate in any of the Pension Plans or the Supplemental Retirement Income Program. For information on the valuation methodologies and material assumptions used in quantifying the present value of the accrued pension benefit, see Note 17 of Notes to Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. Also, see discussion under the heading "Retirement Benefits" under the Compensation Discussion and Analysis section in this proxy statement.

Name (a)	Plan Name (b)	Number of Years Credited Service(2) (#)(c)	Present Value of Accumulated Benefit ($)(d)	Payments During Last Fiscal Year ($)(e)
Michael F. Barry	U.S. Pension Plan	6.0833	73,000	0
	Supplemental Retirement Income Program	18	5,322,000	0
D. Jeffry Benoliel	U.S. Pension Plan	9.6667	175,000	0
	Supplemental Retirement Income Program	21	1,883,000	0
Joseph A. Berquist	U.S. Pension Plan	7.7500	34,000	0
	Supplemental Retirement Income Program(3)	N/A	N/A	N/A
Jan F. Nieman(1)	The Netherlands Pension Plan	27.5	1,065,233	0

(1) Mr. Nieman's pension benefits include amounts accrued during his employment by the Company's Netherlands operating subsidiary. Effective August 1, 2013, Mr. Nieman's employment with such subsidiary ended and he became employed directly by the Company and will no longer be accruing further additional benefits in this plan.

(2) In all cases, years of credited service do not exceed the executive's period of employment with the Company (and affiliates). Years of credited service may be less than actual service because (i) benefits under the U.S. qualified defined benefit plan were frozen effective December 31, 2005 or (ii) a definition of years of credited service under the applicable plan takes into account less than full years of employment.

(3) At this time, Messrs. Barry and Benoliel are the only active executive officers participating in the Supplemental Retirement Income Program.

Potential Payments upon Termination or Change in Control

We describe below estimated amounts payable to each of our Named Executive Officers under certain situations, assuming the termination of employment and, where applicable, that a change in control occurred on December 31, 2016. For purposes of this section, the term “change in control” generally means: (a) any person who, subject to certain exceptions, is or becomes the beneficial owner of securities of Quaker representing 30% or more of the combined voting power of Quaker’s then outstanding securities or such lesser percentage of voting power (but not less than 15%), as determined by the independent members of the Board of Directors; (b) during any two-year period, directors of Quaker in office at the beginning of such period plus any new director whose election by the Board of Directors or whose nomination for election by Quaker’s shareholders was approved by a vote of at least two-thirds of the directors then still in office (who either were directors at the beginning of the period or whose election or nomination for election was previously so approved) shall cease for any reason to constitute at least a majority of the Board; (c) the consummation of (i) any consolidation or merger of Quaker in which Quaker is not the continuing or surviving corporation or pursuant to which Quaker’s voting common shares would be converted into cash, securities, and/or other property, other than a merger of Quaker in which holders of Quaker common shares immediately prior to the merger have the same proportionate ownership of voting shares of the surviving corporation immediately after the merger as they had in the common shares immediately before; or (ii) any sale, lease, exchange, or other transfer of all or substantially all the assets or earning power of Quaker; or (d) the approval of the liquidation or dissolution of Quaker by its shareholders or the Board of Directors.

Except for the Supplemental Retirement Income Program, the amounts shown are estimated amounts, and have not been calculated as a present value or otherwise adjusted for varying payment dates. For information on material assumptions used in quantifying the present value of the Supplemental Retirement Income Program benefit, see Note 17 of Notes to Consolidated Financial Statements contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016. The amounts shown are estimates of the amounts that would be paid; the actual amounts to be paid can only be determined at the time of the executive’s separation from the Company (or a change in control, if applicable). Also, see the discussions under the headings “Severance and Change in Control Benefits” through “Other Benefits on Termination” in the Compensation Discussion and Analysis section of this proxy statement.

Named Executive Officers – Estimated Payments and Benefits Upon Termination of Employment in Connection With a Change in Control

	Michael F. Barry	Mary Dean Hall	D. Jeffry Benoliel	Jan F. Nieman	Joseph A. Berquist
Severance Allowance ($)(1)	3,201,600	749,438	748,608	684,719	669,303
Annual Bonus ($)	800,800	156,310	155,026	144,195	138,739
Performance Incentive Units ($)	830,517	18,889	100,770	100,770	100,770
Restricted Stock Awards (time-based vesting) ($)(2)	2,167,687	438,067	255,112	255,112	766,872
Stock Options ($)(3)	2,696,705	214,237	303,691	303,691	303,691
Medical/Dental/Life Insurance ($)(4)	43,963	22,572	36,029	34,560	34,634
Outplacement Assistance ($)(5)	8,500	8,500	8,500	8,500	8,500
Supplemental Retirement Income Program ($)(6)	5,092,000	0	1,503,000	0	0
Total	14,841,772(7)	1,608,013(7)	3,110,737(7)	1,531,548(8)	2,022,509(7)

(1) To the extent the severance allowance, together with any other payments contingent upon a change in control, exceed the limits under Code section 280G (generally, three times the individual's average annual compensation for the prior five years), the severance allowance will be reduced to the extent necessary to avoid the disallowance of a deduction under Code section 280G or imposition of the excise tax under Code section 4999 (assuming reduction of the severance allowance is the least economically detrimental to the executive). No reduction was required to the severance allowance of any of the Named Executive Officers.

(2) This amount reflects the closing market price of our common stock on December 30, 2016 ($127.94) multiplied by the number of shares that would become vested on termination or change in control.

(3) This amount reflects the number of shares for which options would become vested on a change in control, multiplied by the positive difference (if any) between the closing market price of our common stock on December 30, 2016 ($127.94) and the exercise price of the option. Options that were vested before December 31, 2016 are shown in the Outstanding Equity Awards at Fiscal Year-End Table elsewhere in this proxy statement.

(4) This amount reflects the value of medical, dental and life insurance coverage for 24 months (Mr. Barry) and for 18 months for the other Named Executive Officers, all based on our current costs for these benefits.

(5) This amount is the estimated value of providing outplacement counseling and services during 2017.

(6) Amount shown is the December 31, 2016 present value of the estimated benefit payable if, on December 31, 2016, a change in control occurred. The December 31, 2016 present value of the Supplemental Retirement Income Program benefit payable in the case of Mr. Barry's disability is $6,354,000, in the case of Mr. Barry's death is $4,275,000, in the case of Mr. Barry's resignation is $4,204,000 and in case Mr. Barry is terminated from employment by the Company other than for cause or disability is $4,519,000. The December 31, 2016 present value of the Supplemental Retirement Income Program benefit payable in the case of Mr. Benoliel's disability is $2,381,000, in the case of Mr. Benoliel's death is $1,503,000 and in the case of Mr. Benoliel's termination is $1,478,000.

(7) If the change in control falls within the meaning of Code Section 409A, severance payments are made in a lump sum. For any other change in control, severance payments are made in monthly installments.

(8) All severance benefits are made in a lump sum.

Termination Other than for Cause, Disability, Death or Retirement

Under the terms of their employment agreements, the Named Executive Officers are entitled to severance benefits and, with the exception of Mr. Barry, certain outplacement services if the Company terminates their employment (for other than cause, disability, death or retirement) and the termination is not in connection with a change in control. In addition, Ms. Hall is entitled to 12 months of continued medical and dental coverage after termination at Quaker's cost, Mr. Berquist is entitled to continuation of medical and dental coverage consistent with Quaker's severance program in place at the time of termination, and Mr. Barry is entitled to participate in Quaker's medical and dental plans for 18 months after termination on the same basis as an active employee. In the case of such a termination, Mr. Barry is entitled to a multiple of 1.5 times his base salary and bonus paid during a three-year period as described in his employment agreement. In the case of such a termination, Messrs. Benoliel, Nieman and Berquist and Ms. Hall are entitled to severance equal to 12 months of base salary as of the termination date. The estimated aggregate severance amounts payable under such circumstances are as follows: $2,282,291 (Mr. Barry); $355,250 (Ms. Hall); $352,331 (Mr. Benoliel); $327,715 (Mr. Nieman); and $315,315 (Mr. Berquist).

Termination as a Result of Death or Disability

If employment were terminated on December 31, 2016, as a result of death or disability (as defined in the respective plan), the amounts shown above for Annual Bonus (assuming target performance is attained), Restricted Stock Awards (time-based vesting) and Stock Options would be paid. In the case of death on December 31, 2016, a death benefit would be paid in 2016 of $800,000 (Mr. Barry), $355,250 (Ms. Hall), $352,331 (Mr. Benoliel), $327,715 (Mr. Nieman) or $315,315 (Mr. Berquist), plus 50% of base salary during each of 2016, 2017, 2018 and 2019 (Mr. Barry, $400,000; Ms. Hall, $177,625; Mr. Benoliel, $176,166; Mr. Nieman, $163,858; and Mr. Berquist, $157,658).

PROPOSAL 2

Proposal 2 – Advisory Vote on Compensation of our Named Executive Officers

As required pursuant to Section 14A of the 1934 Act, our shareholders are being given the opportunity to vote to approve, on an advisory, non-binding basis, the compensation of our Named Executive Officers. This proposal, commonly known as a “say-on-pay” proposal, gives our shareholders the opportunity to express their views on our Named Executive Officers’ compensation. This vote is not intended to address any specific item of compensation, but rather provide shareholder reaction to our overall executive compensation programs. At the 2011 annual meeting of shareholders, our shareholders voted on an advisory basis in favor of holding advisory votes on the Company’s executive compensation every three years. Following that vote, the Board determined that the advisory vote on the Company’s executive compensation should be held every three years, which most recently occurred at the 2014 annual meeting. Accordingly, the Company asks that you indicate your support of the compensation of our Named Executive Officers as described in the Compensation Discussion and Analysis section and the accompanying compensation tables and other narrative disclosures contained in this proxy statement. Because your vote is advisory, it will not be binding on the Board or the Company. However, the Board will review the voting results and take these results into consideration when making future decisions regarding executive compensation for Quaker’s management team.

The Company has in the past sought and received approval from its shareholders regarding the incentive plans that are used to attract, motivate, retain, and reward our executives. Those incentive plans, including the Global Annual Incentive Plan (the “GAIP”) and the Long-Term Performance Incentive Plan (the “LTIP”), are a significant part of the compensation that the Company provides to its executives. Both the GAIP and LTIP have been approved by the Company’s shareholders at previous annual shareholder meetings.

Quaker compensates its executive officers through a total compensation program consisting of base salary, an annual cash incentive bonus, long-term incentives of both equity awards and cash payments, and a competitive benefits package as explained in this proxy statement. Both in 2011 and 2014, our shareholders overwhelmingly approved, on a non-binding basis, the compensation of our Named Executive Officers. Since those approvals, the Company’s executive team has continued to successfully manage the Company through a very challenging business and global economic environment, and, through its on-going efforts, Quaker has achieved record non-GAAP earnings per diluted share and record adjusted EBITDA results. Non-GAAP earnings per diluted share as of December 31, 2016 increased by 4% as compared to 2015 (notwithstanding the negative impact from foreign exchange rate translation), and the Company’s adjusted EBITDA exceeded $100 million in 2016 for the second year in a row and for the second time in Company history. In this Proposal 2, we refer to non-GAAP earnings per diluted share and adjusted EBITDA, which are non-GAAP financial measures. A full discussion of our use of non-GAAP earnings per diluted share and adjusted EBITDA to enhance a reader’s understanding of the financial performance of the Company, and a reconciliation of these measures to earnings per diluted share and net income, respectively, can be found in “Non-GAAP Measures” of Item 7 of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Quaker is poised to capitalize on new growth opportunities in its base businesses and adjacent markets and to invest in emerging markets around the globe to expand its reach and to create greater profitability.

We believe that our executive compensation programs are structured to support our Company and our business objectives. Our compensation strategy provides opportunities for highly competitive levels of total compensation when merited by performance; creates incentives to perform over a multiple year-period; and aligns interests of the management team with those of our shareholders. Our Compensation/Management Development Committee works closely with members of management in developing the compensation programs for the Company and reviews studies and analyses provided by outside consultants on compensation trends and issues prior to taking or recommending actions on compensation matters.

We invite you to consider the details of our executive compensation programs by reviewing the Compensation Discussion and Analysis section of this proxy statement, as well as the accompanying compensation tables and narrative disclosures.

The Board has approved a frequency period of every three years (a triennial vote) for non-binding shareholder votes on compensation of our Named Executive Officers. As a result, unless the Board determines otherwise, after taking into account the results of the shareholders' vote on Proposal 3 in this proxy statement, the next such vote will be held at the Company's 2020 annual meeting.

The Board of Directors recommends that you vote "FOR" approval, on a non-binding basis, of the Company's compensation of our Named Executive Officers as described in this proxy statement.

PROPOSAL 3

Proposal 3 – Advisory Vote on the Frequency of the Advisory Vote on the Compensation of our Named Executive Officers

As required pursuant to Section 14A of the 1934 Act, our shareholders are being given the opportunity every six years to vote, on an advisory, non-binding basis, for their preference as to how frequently we should seek future advisory votes on the compensation of our Named Executive Officers. In particular, we are asking whether the advisory vote should occur every three years, every two years or every year. Shareholders also have the option to abstain from voting on this matter. Previously, at the 2011 annual meeting of the shareholders, our shareholders voted on an advisory basis in favor of holding advisory votes on the Company’s executive compensation every three years. Following that vote, the Board determined that the advisory vote on the Company’s executive compensation should be held every three years. The Company asks again that you support a frequency period of every three years (a triennial vote) for future non-binding shareholder advisory votes on the compensation of our Named Executive Officers.

A shareholder advisory vote on executive compensation is very important to the Company. We appreciate the past approval of our incentive pay programs by our shareholders. The Company and the Board value the opinions of our shareholders and will take into account the outcome of the vote when considering the frequency of the advisory vote on executive compensation. Because this vote is advisory, however, it is not binding on the Board, and the Board may decide it is in the best interests of our Company and our shareholders to hold an advisory vote on executive compensation more or less frequently than the option approved by our shareholders.

The Company, the Compensation/Management Development Committee and the Board of Directors believe that it is appropriate and in the best interests of the Company for our shareholders to cast an advisory vote on executive compensation every three years, for the following reasons:

- Shareholder communications will be enhanced by providing a clear, simple means for the Company to obtain information on investor views about our executive compensation philosophy and program and provide investors with sufficient time to evaluate the effectiveness of the program, corporate strategies and Company performance.
- An advisory vote every three years will continue to be the most effective timeframe for the Board and the Company to thoughtfully evaluate and respond to feedback from its shareholders and provide sufficient time to engage in discussions with them.
- As a practical matter, any changes to our executive compensation programs that were responsive to shareholder concerns would not be fully disclosed and reflected in the Compensation Discussion and Analysis and related disclosure of the proxy statement until the second year following an unfavorable advisory vote on the compensation of our Named Executive Officers.
- Our executive compensation programs are focused on measuring performance over an extended period of time, and holding a triennial vote would align more closely with the three-year performance measurement cycle the Company uses to reward long-term performance.

The Board of Directors recommends that you vote “THREE YEARS” as the frequency of future non-binding shareholder advisory votes on compensation of our Named Executive Officers.

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Director Compensation

The Governance Committee is charged with reviewing and making recommendations to the Board of Directors with respect to director compensation. The Company uses a combination of cash and stock-based compensation to attract and retain candidates on the Board. Director compensation is targeted at the median of the relevant comparison groups (discussed below) consistent with the positioning of executive officer compensation. In the past, in making this determination, the Governance Committee used certain industry-wide data obtained by Quaker's management to set compensation.

For the 2016-2017 Board year, each independent director received an annual cash retainer of $50,000 and a time-based restricted stock award equal to $50,000 in accordance with the Company's LTIP, issued in June 2016, which vests in a single installment a year from the date of issuance assuming continued Board membership. In addition, each independent director received $1,250 for each Board and Board committee meeting he or she attended, and the chairperson of each Board committee received the following additional compensation: Audit Committee, $12,000; Compensation/Management Development Committee, $8,000; Executive Committee, $4,000; and Governance Committee, $8,000. The Lead Director received an additional annual retainer of $15,000.

After reviewing comparative market data received from various sources, the Company's Board, based on the Governance Committee's recommendation, approved certain adjustments to director compensation on February 27, 2017 for the 2017-2018 Board year. Each independent director will receive an annual cash retainer of $55,000 and a time-based restricted stock award equal to $60,000, issued in June 2017, which vests in a single installment a year from the date of issuance assuming continued Board membership. All fees for committee and meeting attendance and committee chairpersons will remain the same.

The 2013 Director Stock Ownership Plan was adopted by the Board of Directors of the Company on March 6, 2013 and approved by the shareholders at the 2013 annual meeting. Presently, under the terms of the Plan, each independent director is required to beneficially own on May 1 of the applicable calendar year Quaker common stock having a then current market value equal to the Threshold Amount defined as the quotient obtained by dividing (i) 400% of the annual cash retainer for the applicable calendar year by (ii) the average of the closing price of a share of Quaker common stock for the previous calendar year. If an independent director's share ownership falls below the Threshold Amount, 75% of the annual cash retainer payable will be paid in shares of Quaker common stock and the remaining 25% of the annual cash retainer will be paid in cash, unless the director elects to receive a greater percentage of Quaker common stock (up to 100%). If a director's share ownership meets or exceeds the Threshold Amount, the director may irrevocably elect to receive common stock in payment of a percentage (up to 100%) of the annual cash retainer for the applicable year.

Director Compensation

Name(1) (a)	Fees Earned or Paid in Cash(2) ($)(b)	Stock Awards(3) ($)(c)	Option Awards ($)(d)	Non-Equity Incentive Plan Compensation ($)(e)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)(f)	All Other Compensation(4) ($)(g)	Total ($)(h)
Joseph B. Anderson, Jr.(5)	6,250	0	0	0	0	372	6,622
Patricia C. Barron(5)	6,250	0	0	0	0	372	6,622
Donald R. Caldwell	86,500	49,921	0	0	0	766	137,187
Robert E. Chappell	68,000	49,921	0	0	0	766	118,687
William R. Cook	77,000	49,921	0	0	0	766	127,687
Mark A. Douglas	66,250	49,921	0	0	0	766	116,937
Jeffry D. Frisby	67,500	49,921	0	0	0	766	118,187
William H. Osborne	73,750	49,921	0	0	0	393	124,064
Robert H. Rock	69,250	49,921	0	0	0	766	119,937
Fay West	73,750	49,921	0	0	0	393	124,064

(1) Mr. Barry receives no compensation for his service as a director.

(2) Under the terms of the 2013 Director Stock Ownership Plan, Mr. Osborne and Ms. West, who were elected as directors on February 24, 2016, were paid a prorated portion of their retainer for the 2015-2016 Board year in shares of the Company's common stock in lieu of cash, valued at $80.78 per share on March 1, 2016 (the prorated retainer payment date) as follows: 116 shares in lieu of $9,370 each. In addition, the following directors were paid a portion of their retainer for the 2016-2017 Board year in shares of the Company's common stock in lieu of cash, valued at $86.78 per share on June 1, 2016 (the retainer payment date) as follows: Mr. Caldwell received 288 shares in lieu of $24,993, Mr. Chappell received 576 shares in lieu of $49,985; and Mr. Osborne and Ms. West each received 432 shares in lieu of $37,489 each.

(3) The amounts reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for outstanding equity awards under the Company's LTIP.

(4) The amounts in this column for each director include dividends paid on unvested time-based restricted stock awards.

(5) Mr. Anderson and Ms. Barron served as directors until their retirement effective as of the 2016 annual meeting.

COMPENSATION POLICIES AND PRACTICES

Compensation Policies and Practices – Risk Assessment

The Compensation/Management Development Committee conducted a risk assessment in 2016 that concluded that none of our compensation practices are reasonably likely to have a material adverse effect on the Company's business or operations. In order to assess risk as it relates to compensation, management conducted a global audit of all compensation practices, including base pay philosophies and corporate and regional bonus plans. This global audit consisted of an examination of both the Company's regional pay practices and bonus plans and the corporate-wide compensation programs. Management, including the Vice President – Human Resources, reported the results of this audit to the Committee, which found that none of the Company's current compensation programs would be likely to encourage excessive risk taking because the metrics in the Company's compensation plans are linked to corporate performance as it relates to set budgetary targets and because the plans are measured against identified peer comparison groups. After a discussion with management about these findings, the Committee thereafter determined that the Company's compensation practices were not reasonably likely to have a material adverse effect on the Company's business or operations.

STOCK OWNERSHIP

Stock Ownership of Certain Beneficial Owners and Management

Certain Beneficial Owners

The following table shows how much of Quaker's common stock is beneficially owned by each person known to us to be the beneficial owner of more than 5% of Quaker's common stock as of December 31, 2016. Each beneficial owner has sole voting and sole dispositive power for the shares listed, except as noted.

Name and Address	Number of Shares Beneficially Owned	Approximate Percent of Class	Number of Votes(5)
BlackRock, Inc.(1) 55 East 52nd Street New York, NY 10055	1,459,067	11.0	1,459,067
Eagle Asset Management, Inc.(2) 880 Carillon Parkway St. Petersburg, FL 33716	1,137,312	8.58	1,137,312
Royce & Associates, LP(3) 745 Fifth Avenue New York, NY 10151	955,336	7.21	955,336
The Vanguard Group(4) 100 Vanguard Boulevard Malvern, PA 19355	1,094,493	8.25	1,094,493

(1) As reported in Schedule 13G/A filed on January 17, 2017 by BlackRock, Inc. with the SEC. BlackRock, Inc. has the sole power to vote or to direct to vote 1,428,296 shares and the sole power to dispose of or to direct the disposition of 1,459,067 shares.

(2) As reported in Schedule 13G/A filed on March 3, 2017 by Eagle Asset Management, Inc. with the SEC.

(3) As reported in Schedule 13G/A filed on January 18, 2017 by Royce & Associates, LP with the SEC.

(4) As reported in Schedule 13G/A filed on February 13, 2017 by The Vanguard Group with the SEC. The Vanguard Group has the sole power to vote or direct to vote 23,228 shares, shared voting power to vote or direct to vote 2,000 shares, the sole power to dispose of or to direct the disposition of 1,069,965 shares and shared power to dispose or to direct the disposition of 24,528 shares.

(5) These shares, which are held in street name, are presumed under Article 5 of the Company's Articles of Incorporation to be entitled to one vote per share.

STOCK OWNERSHIP

Management

The following table shows the number of shares of Quaker's common stock beneficially owned by each of our directors and the Named Executive Officers named in the Summary Compensation Table in this proxy statement and by all of our directors and executive officers as a group. The information in the table is as of March 3, 2017. Each director and executive officer has sole voting and sole dispositive power over the common stock listed opposite his or her name, unless we have indicated otherwise.

Name	Aggregate Number of Shares Beneficially Owned	Approximate Percent of Class(1)	Number of Votes
Michael F. Barry	187,725(2)	1.4	1,019,786
Donald R. Caldwell	10,210	*	10,210
Robert E. Chappell	27,652	*	227,677
William R. Cook	12,585	*	12,585
Mark A. Douglas	4,597	*	11,311
Jeffry D. Frisby	8,574	*	8,574
William H. Osborne	1,918	*	1,918
Robert H. Rock	12,823	*	12,823
Fay West	1,118	*	1,118
Mary Dean Hall	5,705	*	4,425
D. Jeffry Benoliel	100,628(2)(3)	*	723,248
Jan F. Nieman	18,866(2)	*	16,173
Joseph A. Berquist	20,994(2)	*	68,445
All directors and officers as a group (19 persons)	482,651(2)	3.6	2,182,787(4)

* Less than 1%.

(1) Based upon 13,346,508 shares outstanding, and includes in the individual's total all options currently exercisable or exercisable within 60 days of the record date by the named person or the group, as applicable.

(2) Includes the following respective numbers of shares subject to options that are currently exercisable or exercisable within 60 days of the record date: 23,155 shares in the case of Mr. Barry; 1,280 shares in the case of Ms. Hall; 3,429 shares in the case of Mr. Benoliel; 2,693 shares in the case of Mr. Nieman; 4,884 shares in the case of Mr. Berquist; and 55,728 shares in the case of all directors and officers as a group.

(3) Includes 9,732 shares in an irrevocable trust of which Mr. Benoliel shares voting and dispositive power with an independent trustee and 10,000 shares held in an irrevocable trust of which his spouse has shared voting and dispositive power with an independent trustee.

(4) Represents 10.9% of all votes entitled to be cast at the meeting, based on information available on March 3, 2017.

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SECTION (16a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on (i) our review of reports submitted to us during and with respect to the year ended December 31, 2016, filed with the SEC pursuant to Section 16(a) of the 1934 Act, including any amendment thereto and (ii) written representations of Quaker's directors and officers, Quaker believes that all reports required to be filed under Section 16(a) of the 1934 Act, with respect to transactions in Quaker's common stock through December 31, 2016, were filed on a timely basis.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Board recognizes that related party transactions may present a heightened risk of conflicts of interest and/or improper valuation or the perception thereof. Nevertheless, the Board also recognizes that there are situations when related party transactions are consistent with the best interests of the Company. Accordingly, the Governance Committee, on the Board's authority, has adopted a written policy to govern the review and approval of all related party transactions involving the Company.

The policy requires all related party transactions involving $50,000 or more be reviewed by the Governance Committee. Related parties are defined as any director, nominee for director, senior officer (including all Named Executive Officers), and any immediate family member of the foregoing. Prior to entering into a transaction with Quaker subject to the Governance Committee's review, the related party must make a written submission to Quaker's General Counsel setting forth the facts and circumstances of the proposed transaction, including, among other things, the proposed aggregate value of such transaction, the benefits to Quaker, and an assessment of whether the proposed transaction is on terms comparable to those available from an unrelated third party. The Governance Committee (or, when urgent action is required, that Committee's Chair) will evaluate all of the foregoing information to determine whether the transaction is in the best interests of Quaker and its shareholders, as the Committee (or Chair) determines in good faith.

There were no related party transactions in 2016.

PROPOSAL 4

Proposal 4 – Ratification of Appointment of Independent Registered Public Accounting Firm

The Board of Directors has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2017. There is no requirement that the Board's selection of PricewaterhouseCoopers LLP be submitted to our shareholders for ratification or approval. The Board, however, believes that Quaker's shareholders should be given an opportunity to express their views on the selection. While the Board is not bound by a vote against ratifying PricewaterhouseCoopers LLP, the Board may take a vote against PricewaterhouseCoopers LLP into consideration in future years when selecting our independent registered public accounting firm. PricewaterhouseCoopers LLP has audited our financial statements since 1968.

We anticipate that representatives of PricewaterhouseCoopers LLP will be present at the meeting and, if present, we will give them the opportunity to make a statement if they desire to do so. We also anticipate that the representatives will be available to respond to appropriate questions from shareholders.

Audit Fees

Audit fees charged to us by PricewaterhouseCoopers LLP for audit services rendered during the years ended December 31, 2015 and 2016 for the integrated audit of our financial statements and our internal controls over financial reporting included in our Annual Report on Form 10-K, the review of the financial statements included in our quarterly reports on Form 10-Q, and foreign statutory audit requirements totaled $1,658,237 and $1,663,614, respectively.

Audit-Related Fees

Audit-related fees charged to us by PricewaterhouseCoopers LLP for services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees," consisted primarily of fees for support in connection with statutory compliance certifications and assurance services that are not required by statute or regulation, during the years ended December 31, 2015 and 2016, totaled $85,173 and $47,389, respectively.

Tax Fees

Tax fees charged to us by PricewaterhouseCoopers LLP for tax services rendered, primarily related to tax compliance, during the years ended December 31, 2015 and 2016, totaled $182,688 and $172,641, respectively.

All Other Fees

The fees billed to us by PricewaterhouseCoopers LLP for all other services rendered, primarily related to accounting research software purchased by the Company from PricewaterhouseCoopers LLP, during the years ended December 31, 2015 and 2016, totaled $5,200 and $5,940, respectively.

Pre-Approval Policy

The Audit Committee has adopted a policy governing the pre-approval of services provided by Quaker's independent registered public accounting firm. The policy expressly prohibits non-audit services for which engagement is not permitted by applicable law and regulations, including internal audit outsourcing and "expert services." A list of prohibited and permitted services is set forth in the policy. Permitted services under the policy include audit and audit-related services, internal control-related consulting, tax-related services and consulting services not related to information systems design and implementation. Audit and audit-related services include, among other things, services related to securities filings, accounting and financial reporting consultations, statutory audits, acquisition and divestiture-related due diligence and benefit plan audits.

Internal control-related consulting is limited to assessing and recommending improvements to Quaker's internal control structure, procedures or policies. Tax-related services are limited to tax compliance and planning. All services provided by Quaker's independent registered public accounting firm must be pre-approved by the Audit Committee though the committee's authority may be delegated to one or more of its members.

All of the fees paid to PricewaterhouseCoopers LLP during the years ended December 31, 2015 and 2016, were pre-approved by the Audit Committee in accordance with its pre-approval policy.

The Board of Directors recommends that you vote "FOR" ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2017.

REPORT OF THE AUDIT COMMITTEE

Report of the Audit Committee

The Audit Committee of Quaker's Board of Directors oversees Quaker's financial reporting process on behalf of the Board of Directors and acts pursuant to the Audit Committee Charter, which is available at *https://www.quakerchem.com* by accessing the Investors/Corporate Governance section of our website. The Board of Directors has affirmatively determined that each member of the Audit Committee qualifies as an "independent" director under the current listing standards of the NYSE and Quaker's Corporate Governance Guidelines.

As stated in its charter, the Audit Committee's job is one of oversight. It is not the duty of the Audit Committee to prepare Quaker's financial statements or plan or conduct audits to determine that Quaker's financial statements are complete and accurate and are in accordance with generally accepted accounting principles or that Quaker's internal controls over financial reporting are adequate. Financial management (including the internal auditing function) of Quaker is responsible for preparing the financial statements and maintaining internal controls and the independent registered public accounting firm is responsible for the audit of the annual financial statements and the internal controls and rendering an opinion as to the foregoing. In carrying out its oversight responsibilities, the Audit Committee is not providing any special assurance as to Quaker's financial statements or internal controls or any professional certification as to the outside auditor's work.

The Audit Committee reviewed and discussed with management Quaker's audited financial statements for the year ended December 31, 2016. The Audit Committee has also discussed with PricewaterhouseCoopers LLP, Quaker's independent registered public accounting firm, the matters required to be discussed by Auditing Standard No. 1301, as adopted by the Public Company Accounting Oversight Board, which includes, among other items, matters related to the conduct of the audit of Quaker's financial statements. The Audit Committee has also received the written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding PricewaterhouseCoopers LLP's communications with the Audit Committee concerning its independence from Quaker and its related entities, and has discussed with PricewaterhouseCoopers LLP its independence from Quaker and its related entities.

Based on the review and discussions referred to above, the Audit Committee recommended to Quaker's Board of Directors that Quaker's audited financial statements be included in Quaker's Annual Report on Form 10-K for the year ended December 31, 2016 for filing with the SEC.

Audit Committee

William R. Cook, Chairman
Donald R. Caldwell
Mark A. Douglas
Jeffry D. Frisby
Fay West

General

Availability of Form 10-K and Annual Report to Shareholders

Rules of the SEC require us to provide our annual report to shareholders for fiscal year 2016, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, to each shareholder who receives this proxy statement. We will also provide copies of the same material to brokers, dealers, banks, voting trustees and their nominees for the benefit of their beneficial owners of record. **Additional copies of the Annual Report, including our Annual Report on Form 10-K are available without charge to shareholders upon written request to: Quaker Chemical Corporation, One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428, Attention: Victoria K. Gehris, Assistant Secretary.**

Shareholder Proposals

Shareholders interested in submitting a proposal for inclusion in our proxy statement for next year's annual meeting must do so in compliance with applicable Securities and Exchange Commission rules and regulations. Under Rule 14a-8 of the Securities Exchange Act of 1934, as amended, adopted by the SEC, to be considered for inclusion in our proxy materials for our 2018 annual meeting, a shareholder proposal must be received in writing by our Corporate Secretary at our principal office at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428 no later than November 27, 2017. If the date of our 2018 annual meeting is moved more than 30 days before or after the anniversary date of this year's meeting, the deadline for inclusion of proposals in our proxy statement will instead be a reasonable time before we begin to print and mail our proxy materials next year. Any such proposals will also need to comply with the various provisions of Rule 14a-8, which governs the basis on which such shareholder proposals can be included or excluded from company-sponsored proxy materials.

If a shareholder desires to submit a proposal for consideration at the 2018 annual meeting, but not have the proposal included with our proxy solicitation materials relating to the 2018 annual meeting, the shareholder must comply with the procedures set forth in Section 2.12 of our By-Laws. This means that the written proposal must be received by our Corporate Secretary at our principal office on or before February 9, 2018 but no earlier than January 10, 2018 (except that if the date of the 2018 annual meeting of shareholders is more than 30 days before or more than 60 days after the anniversary date of the 2017 annual meeting, this notice must be received no earlier than the close of business on the 120th day before the date of the 2018 annual meeting and not later than the close of business on the later of the 90th day before the date of the 2018 annual meeting or, if the first public announcement of the date of the 2018 annual meeting is less than 100 days before the date of the meeting, by the 10th day after the public announcement). The notice to our Corporate Secretary must contain or be accompanied by the information required by Sections 2.12 and 2.13 of our By-Laws including, among other things: (i) the name and record address of the shareholder making the proposal and the beneficial owner, if any, on whose behalf the proposal is made; (ii) the class and number of shares of our stock which are directly or indirectly owned beneficially and/or of record by the shareholder making the proposal and the beneficial owner, if any, on whose behalf the proposal is made; (iii) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest of the shareholder making the proposal and the beneficial owner, if any, on whose behalf the proposal is made, in such business; (iv) a description of any agreements, arrangements, proxies and understandings between such shareholder and beneficial owner, if any, and any other person or persons (including their names) related to the proposal; and (v) a description of any hedging or other transaction that has been entered into by or on behalf of, or any other agreement or understanding (including, without limitation, any put, short position or any borrowing or lending of shares) that has been made, the effect or intent of which is to mitigate loss to or manage risk of share price changes for, or to increase or decrease the voting power of, the shareholder or any shareholder associated person (as defined in the By-Laws) with respect to any share of our stock, as well as certain other information. This list of required information is not exhaustive. A copy of the full text of the relevant By-Law provisions, which includes the complete list of all information that must be submitted to us before a shareholder may submit a proposal at the 2018 annual meeting, may be obtained upon written request directed to our Corporate Secretary at our principal office. A copy of our By-Laws is also posted on the Investors/Corporate Governance section of our website at *https://www.quakerchem.com*. The procedures for shareholders to follow to nominate candidates for election to our Board of Directors are described in the discussion under the heading “Governance Committee Procedures for Selecting Director Nominees” under the Corporate Governance section in this proxy statement. We did not receive any such proposals with respect to the 2017 Annual Meeting.

All proposals should be submitted in writing to: Quaker Chemical Corporation, One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428, Attention: Corporate Secretary.

A proxy form is enclosed for your use. Please complete, date, sign and return the proxy at your earliest convenience in the enclosed envelope, which requires no postage if mailed in the United States. A prompt return of your proxy will be appreciated.

By Order of the Board of Directors,

Robert T. Traub
Vice President, General Counsel and
Corporate Secretary

Conshohocken, Pennsylvania
March 31, 2017

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APPENDIX A

SHAREHOLDER VOTING ADMINISTRATIVE PROCEDURES

Voting Rights

At the Annual Meeting of Shareholders held May 6, 1987, shareholders approved an amendment to the Articles of Incorporation (the “Articles”), pursuant to which the holders of the Company’s $1.00 par value Common Stock on May 7, 1987 (the “Effective Date”) became entitled to 10 votes per share of Common Stock with respect to such shares, and any shares of Common Stock acquired after the Effective Date, subject to certain exceptions. Persons who become shareholders after the Effective Date shall only be entitled to one vote per share until such shares have been owned beneficially for a period of at least 36 consecutive calendar months, dating from the first day of the first full calendar month on or after the date the holder acquires beneficial ownership of such shares (the “Holding Period”). Each change in beneficial ownership with respect to a particular share will begin a new “one vote” Holding Period for such share. Except as otherwise provided in the Articles, a change in beneficial ownership will occur whenever any change occurs in the person or group of persons having or sharing the voting and/or investment power with respect to such shares within the meaning of Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934 as in effect on the date of the adoption of the amendment by the shareholders of the Company. Under the amendment, a share of Common Stock held of record on a record date shall be presumed to be owned beneficially by the record holder and for the period shown by the shareholder records of the Company. A share of Common Stock held of record in “street” or “nominee” name by a broker, clearing agency, voting trustee, bank, trust company, or other nominee shall be presumed to have been held for a period of less than the required 36-month Holding Period. A shareholder may indicate that he or she has had beneficial ownership of his or her shares throughout the requisite Holding Period by completing and executing the affidavit accompanying the Company’s proxy card. The Company and its Board of Directors, however, has the right to request evidence of such ownership, as it may deem appropriate. The amendment also provides that no change in beneficial ownership will be deemed to have occurred solely as a result of any of the following:

(1) a transfer by any gift, devise, bequest, or otherwise through the laws of inheritance or descent;

(2) a transfer by a trustee to a trust beneficiary under the terms of the trust;

(3) the appointment of a successor trustee, guardian, or custodian with respect to a share; or

(4) a transfer of record or a transfer of a beneficial interest in a share where the circumstances surrounding such transfer clearly demonstrate that no material change in beneficial ownership has occurred.

Maintaining Records

The Company’s registrar and transfer agent, American Stock Transfer & Trust Company, LLC, maintains the Company’s register of shareholders. A single register is maintained, but individual holdings are coded to indicate automatically the number of votes that the records of the Company indicate each shareholder is entitled to cast. Internal mechanisms automatically convert the voting rights on a 10-to-1 ratio for those shareholders who have held their shares for the required Holding Period.

Proxy Administration

Proxy cards will be mailed to all shareholders, and each proxy card will reflect the number of votes that the records of the Company indicate the shareholder is entitled to cast, not the number of shares held. If a shareholder has deposited shares with brokers, clearing agencies, voting trusts, banks, and other nominees, the shareholder will be presumed to be entitled to one vote per share. Subject to the Board’s right to request evidence it may deem appropriate for proof of ownership during the required Holding Period, if a shareholder completes and executes the affidavit accompanying the proxy card stating that he or she has held his or her shares for the Holding Period, the number of votes that may be cast will increase to 10 votes per share. Similarly, if a shareholder believes that he or she is entitled to 10 votes per share by virtue of falling within one of the exceptions set forth above, the shareholder should complete and execute the affidavit accompanying the proxy card. In all instances, the Company and its Board of Directors reserve the right to request, at any time, any evidence of ownership during the Holding Period they may deem appropriate. If it appears from experience that the present process is inadequate or is being abused, the Company and its Board of Directors reserve the right at any time to require that a particular shareholder provide additional evidence that one of the exceptions is applicable.

Where an affidavit is completed and executed and, if requested, the shareholder presents satisfactory evidence as requested, the shareholder records will be adjusted as appropriate. Any shareholder requested to submit evidence will be advised as to any action taken or not taken, which will be sent by ordinary mail to the shareholder or, if available, communicated through electronic means to the shareholder.

Special proxy cards are not used, and no special or unusual procedures are required in order properly to execute and deliver the proxy card for tabulation.

Voting Procedures

There are several methods a shareholder can use to cast his or her vote.

If the shareholder is a shareholder of record, he or she can vote: (1) in person, by attending the Annual Meeting of Shareholders; (2) via the Internet, by visiting www.proxyvote.com and following the instructions provided; (3) by telephone, using the toll-free number listed on the proxy card; or (4) by mail, by marking, signing and dating the proxy card and returning it in the postage-paid envelope provided.

If the shareholder is the beneficial owner of shares held in street name, he or she can vote: (1) in person, by first obtaining a voting instruction form issued in his or her name from his or her broker and bringing that voting instruction form to the meeting, together with a copy of a brokerage statement reflecting stock ownership as of the record date, the stock acquisition date and valid identification; (2) via the Internet, by visiting www.proxyvote.com and following the instructions provided; (3) by telephone, only if he or she agrees with the voting rights provided on his or her voting instruction form, by using the toll-free number found on the voting instruction form; or (4) by mail, by marking, signing and dating the voting instruction form and returning it in the postage-paid envelope provided by his or her broker.

Summary

The procedures set forth above have been reviewed and approved by representatives of various brokers and banks, as well as counsel to the Company.

The Company believes these procedures are an efficient way to address the complications involved in casting and tabulating votes under the Company’s system of differing votes per share, but the Company reserves the right to change them for this year’s Annual Meeting or future meetings if experience indicates a need for revision.

If a shareholder has questions concerning the Shareholder Voting Administrative Procedures, please contact Victoria K. Gehris, the Company’s Assistant Secretary, at (610) 832-4246.

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Quaker®

It's what's inside that counts.®

CORPORATE HEADQUARTERS

Quaker Chemical Corporation
One Quaker Park
901 E. Hector Street
Conshohocken, Pennsylvania 19428

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice and Proxy Statement, 2016 Annual Report to Shareholders and Letter to Shareholders
are available at www.proxyvote.com.

E19207-P84907

QUAKER CHEMICAL CORPORATION
Annual Meeting of Shareholders
May 10, 2017 8:30 A.M.

This proxy is solicited by the Board of Directors

The undersigned hereby appoints Michael F. Barry and William R. Cook, and each of them, proxies of the undersigned, to attend the Annual Meeting of Shareholders of Quaker Chemical Corporation, a Pennsylvania corporation (the "Company"), to be held at the Company's headquarters located at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania, on May 10, 2017 at 8:30 A.M., local time, and any adjournment or postponement thereof, and with all powers the undersigned would possess if present, to vote.

The undersigned hereby also acknowledges receipt of the Notice of Annual Meeting of Shareholders, the Proxy Statement with respect to said Meeting, the Company's Annual Report on Form 10-K for the year ended December 31, 2016, and the Letter to Shareholders.

This proxy, when properly executed, will be voted in the manner directed by the Shareholder(s). If no such directions are made, this proxy will be voted "For" the election of the nominees listed in Proposal 1 for the Board of Directors, "For" Proposals 2 and 4 and "For" 3 years on Proposal 3.

Address Changes/Comments: ____

____

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

Continued and to be signed on reverse side

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Quaker
It's what's inside that counts.

QUAKER CHEMICAL CORPORATION
ATTN: ROBERT T. TRAUB
ONE QUAKER PARK
901 E. HECTOR STREET
CONSHOHOCKEN, PA 19428

VOTE BY INTERNET - www.proxyvote.com
Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS
If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E19206-P84907 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

QUAKER CHEMICAL CORPORATION

The Board of Directors recommends you vote FOR the following:

Vote on Directors

	For All	Withhold All	For All Except
1. Election of Directors	☐	☐	☐

To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.

____

Nominees:

01) Michael F. Barry
02) Robert E. Chappell
03) Robert H. Rock

Vote on Proposals

The Board of Directors recommends you vote FOR the following proposal:	**For**	**Against**	**Abstain**
2. Advisory vote to approve the compensation of the named executive officers.	☐	☐	☐

The Board of Directors recommends you vote FOR 3 years on the following proposal:	**1 Year**	**2 Years**	**3 Years**	**Abstain**
3. Advisory vote to approve the frequency of the advisory vote on compensation of the named executive officers.	☐	☐	☐	☐

The Board of Directors recommends you vote FOR the following proposal:	**For**	**Against**	**Abstain**
4. Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2017.	☐	☐	☐

NOTE: In their discretion, the proxies are authorized to vote upon such other matters as may properly come before the meeting or any adjournment or postponement thereof.

For address changes and/or comments, please check this box and write them on the back where indicated. ☐

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

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March 31, 2017

Dear Quaker Shareholder:

If you are a registered shareholder of Quaker Common Stock, your enclosed proxy card shows the number of votes you are entitled to cast not the number of shares that you own. If you are a beneficial holder (own your shares through a broker, bank or nominee), your voting instruction card shows the number of shares that you own.

In accordance with the Company's Articles of Incorporation, holders of Common Stock are entitled to 10 votes per share for each share of Common Stock which they have owned for at least 36 consecutive months (or three years). Shares which have been owned for less than three years entitle the holder to one vote per share.

There are some exceptions to the above ownership requirements and those exceptions are listed in Appendix A "Shareholder Voting Administrative Procedures" to the enclosed Proxy Statement.

Since Quaker has no means of tracking ownership of shares held in "street" or "nominee" name, we presume that any shares owned through broker, bank or nominee have been held for less than three years and, therefore, are entitled to one vote per share.

Registered shareholders should review the number of votes that are listed on the proxy card. For all shares purchased by you before March 3, 2014 (36 months before the record date), you are entitled to 10 votes per share. For all shares purchased by you after March 3, 2014, you are entitled to one vote per share.

Any shareholder may seek change by following the instructions outlined in Appendix A to the enclosed Proxy Statement. If you have any questions, please contact Victoria K. Gehris, Assistant Corporate Secretary, at 610-832-4246.

Thank you.

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