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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

OR

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

For the transition period from ______ to ______

Commission file number 001-12019

QUAKER CHEMICAL CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania	**23-0993790**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
901 E. Hector Street, **Conshohocken, Pennsylvania**	**19428 – 2380**
(Address of principal executive offices)	**(Zip Code)**

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

Not Applicable

Former name, former address and former fiscal year, if changed since last report.

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1 par value	KWR	New York Stock Exchange

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

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

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

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Number of Shares of Common Stock Outstanding on July 31, 2024	**17,912,155**

Quaker Chemical Corporation
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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

Quaker Chemical Corporation
Condensed Consolidated Statements of Operations
(Unaudited; Dollars in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Net sales	$ 463,567	$ 495,444	$ 933,326	$ 995,592
Cost of goods sold (excluding amortization expense - See Note 13)	287,849	317,753	576,045	644,451
Gross profit	175,718	177,691	357,281	351,141
Selling, general and administrative expenses	116,949	119,853	241,129	239,402
Restructuring and related charges, net	320	1,043	2,177	5,015
Operating income	58,449	56,795	113,975	106,724
Other income (expense), net	422	(3,606)	1,502	(5,845)
Interest expense, net	(10,754)	(12,721)	(21,578)	(25,963)
Income before taxes and equity in net income of associated companies	48,117	40,468	93,899	74,916
Taxes on income before equity in net income of associated companies	15,778	13,830	28,286	23,363
Income before equity in net income of associated companies	32,339	26,638	65,613	51,553
Equity in net income of associated companies	2,571	2,755	4,555	7,381
Net income	34,910	29,393	70,168	58,934
Less: Net income attributable to noncontrolling interest	25	47	56	54
Net income attributable to Quaker Chemical Corporation	$ 34,885	$ 29,346	$ 70,112	$ 58,880
Per share data:				
Net income attributable to Quaker Chemical Corporation common shareholders – basic	$ 1.94	$ 1.63	$ 3.90	$ 3.28
Net income attributable to Quaker Chemical Corporation common shareholders – diluted	$ 1.94	$ 1.63	$ 3.89	$ 3.27
Dividends declared	$ 0.455	$ 0.435	$ 0.910	$ 0.870

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

Quaker Chemical Corporation
Condensed Consolidated Statements of Comprehensive Income
(Unaudited; Dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Net income	$ 34,910	$ 29,393	$ 70,168	$ 58,934
Other comprehensive (loss) income, net of tax				
Currency translation adjustments	(18,840)	(13,080)	(44,229)	1,388
Defined benefit retirement plans	125	697	479	571
Current period change in fair value of derivatives	(15)	4,173	2,330	4,563
Unrealized (loss) gain on available-for-sale securities	(44)	1,241	1	1,575
Other comprehensive (loss) income	(18,774)	(6,969)	(41,419)	8,097
Comprehensive income	16,136	22,424	28,749	67,031
Less: Comprehensive (income) loss attributable to noncontrolling interest	(26)	(9)	16	(19)
Comprehensive income attributable to Quaker Chemical Corporation	$ 16,110	$ 22,415	$ 28,765	$ 67,012

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

Quaker Chemical Corporation
Condensed Consolidated Balance Sheets
(Unaudited; Dollars in thousands, except par value)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 188,568	$ 194,527
Accounts receivable, net	423,906	444,950
Inventories		
Raw materials and supplies	116,026	119,047
Work-in-process and finished goods	123,115	114,810
Prepaid expenses and other current assets	67,485	54,555
Total current assets	919,100	927,889
Property, plant and equipment, at cost	447,808	453,419
Less: Accumulated depreciation	(246,985)	(245,608)
Property, plant and equipment, net	200,823	207,811
Right-of-use lease assets	36,693	38,614
Goodwill	517,582	512,518
Other intangible assets, net	866,167	896,721
Investments in associated companies	96,090	101,151
Deferred tax assets	12,903	10,737
Other non-current assets	22,834	18,770
Total assets	$ 2,672,192	$ 2,714,211
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings and current portion of long-term debt	$ 32,448	$ 23,444
Accounts payable	185,351	184,813
Dividends payable	8,163	8,186
Accrued compensation	31,595	55,194
Accrued restructuring	1,048	3,350
Accrued pension and postretirement benefits	2,191	2,208
Other accrued liabilities	89,281	90,315
Total current liabilities	350,077	367,510
Long-term debt	703,655	730,623
Long-term lease liabilities	21,671	22,937
Deferred tax liabilities	147,100	146,957
Non-current accrued pension and postretirement benefits	28,109	29,457
Other non-current liabilities	25,974	31,805
Total liabilities	1,276,586	1,329,289
Commitments and contingencies (Note 18)		
Equity		
Common stock $1 par value; authorized 30,000,000 shares; issued and outstanding June 30, 2024 – 17,940,532 shares; December 31, 2023 – 17,991,988 shares	17,941	17,992
Capital in excess of par value	938,436	940,101
Retained earnings	604,404	550,641
Accumulated other comprehensive loss	(165,762)	(124,415)
Total Quaker shareholders' equity	1,395,019	1,384,319
Noncontrolling interest	587	603
Total equity	1,395,606	1,384,922
Total liabilities and equity	$ 2,672,192	$ 2,714,211

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

Quaker Chemical Corporation
Condensed Consolidated Statements of Cash Flows
(Unaudited; Dollars in thousands)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities		
Net income	$ 70,168	$ 58,934
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of debt issuance costs	706	706
Depreciation and amortization	41,984	40,824
Equity in undistributed earnings of associated companies, net of dividends	(4,221)	(4,207)
Deferred compensation, deferred taxes and other, net	(647)	154
Share-based compensation	8,128	7,414
Restructuring and related charges, net	2,177	5,015
Pension and other postretirement benefits	(994)	(308)
(Decrease) increase in cash from changes in current assets and current liabilities, net of acquisitions:		
Accounts receivable	10,483	22,017
Inventories	(9,141)	11,750
Prepaid expenses and other current assets	(15,646)	(8,925)
Accrued restructuring	(4,442)	(5,410)
Accounts payable and accrued liabilities	(25,021)	(11,912)
Net cash provided by operating activities	73,534	116,052
Cash flows from investing activities		
Investments in property, plant and equipment	(11,124)	(17,040)
Payments related to acquisitions, net of cash acquired	(24,899)	—
Proceeds from disposition of assets	2,798	—
Net cash used in investing activities	(33,225)	(17,040)
Cash flows from financing activities		
Payments of long-term debt	(34,169)	(9,439)
Borrowings (payments) on revolving credit facilities, net	20,533	(62,778)
Payments on other debt, net	(37)	(456)
Dividends paid	(16,372)	(15,631)
Shares purchased under share repurchase programs	(7,760)	—
Other stock related activity	(1,492)	(712)
Net cash used in financing activities	(39,297)	(89,016)
Effect of foreign exchange rate changes on cash	(6,971)	(1,554)
Net (decrease) increase in cash and cash equivalents	(5,959)	8,442
Cash and cash equivalents at the beginning of the period	194,527	180,963
Cash and cash equivalents at the end of the period	$ 188,568	$ 189,405

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

Quaker Chemical Corporation
Condensed Consolidated Statements of Changes in Equity
(Unaudited; Dollars in thousands, except per share amounts)

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
Balance as of December 31, 2022	$ 17,950	$ 928,288	$ 469,920	$ (138,240)	$ 667	$ 1,278,585
Net income	—	—	29,534	—	7	29,541
Amounts reported in other comprehensive income	—	—	—	15,063	3	15,066
Dividends ($0.435 per share)	—	—	(7,822)	—	—	(7,822)
Share issuance and equity-based compensation plans	32	1,386	—	—	—	1,418
Balance as of March 31, 2023	$ 17,982	$ 929,674	$ 491,632	$ (123,177)	$ 677	$ 1,316,788
Net income	—	—	29,346	—	47	29,393
Amounts reported in other comprehensive loss	—	—	—	(6,931)	(38)	(6,969)
Dividends ($0.435 per share)	—	—	(7,830)	—	—	(7,830)
Share issuance and equity-based compensation plans	17	5,267	—	—	—	5,284
Balance as of June 30, 2023	$ 17,999	$ 934,941	$ 513,148	$ (130,108)	$ 686	$ 1,336,666
Balance as of December 31, 2023	$ 17,992	$ 940,101	$ 550,641	$ (124,415)	$ 603	$ 1,384,922
Net income	—	—	35,227	—	31	35,258
Amounts reported in other comprehensive loss	—	—	—	(22,572)	(73)	(22,645)
Dividends ($0.455 per share)	—	—	(8,186)	—	—	(8,186)
Share issuance and equity-based compensation plans	(2)	2,445	—	—	—	2,443
Balance as of March 31, 2024	$ 17,990	$ 942,546	$ 577,682	$ (146,987)	$ 561	$ 1,391,792
Net income	—	—	34,885	—	25	34,910
Amounts reported in other comprehensive loss	—	—	—	(18,775)	1	(18,774)
Dividends ($0.455 per share)	—	—	(8,163)	—	—	(8,163)
Shares purchased under share repurchase program	(49)	(8,306)	—	—	—	(8,355)
Share issuance and equity-based compensation plans	—	4,196	—	—	—	4,196
Balance as of June 30, 2024	$ 17,941	$ 938,436	$ 604,404	$ (165,762)	$ 587	$ 1,395,606

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

Quaker Chemical Corporation
Notes to Condensed Consolidated Financial Statements
(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

Note 1 – Basis of Presentation and Description of Business

As used in these Notes to Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q for the period ended June 30, 2024 (the “Report”), the terms “Quaker Houghton,” the “Company,” “we,” and “our” refer to Quaker Chemical Corporation (doing business as Quaker Houghton), its subsidiaries, and associated companies, unless the context otherwise requires.

Basis of Presentation

The condensed consolidated financial statements included herein are unaudited and have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) for interim financial reporting and the United States Securities and Exchange Commission (“SEC”) regulations. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair statement of the financial position, results of operations, and cash flows for the interim periods. The results for the six months ended June 30, 2024 are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the Company’s Annual Report filed on Form 10-K for the year ended December 31, 2023 (as amended, the “2023 Form 10-K”).

Description of Business

The Company was organized in 1918 and incorporated as a Pennsylvania business corporation in 1930. Quaker Houghton is the global leader in industrial process fluids. With a presence around the world, including operations in over 25 countries, the Company’s customers include thousands of the world’s most advanced and specialized steel, aluminum, automotive, aerospace, offshore, container, mining, and metalworking companies. Quaker Houghton develops, produces, and markets a broad range of formulated chemical specialty products and offers chemical management services, which the Company refers to as Fluidcare™, for various heavy industrial and manufacturing applications sold in its three reportable segments: (i) Americas; (ii) Europe, Middle East and Africa (“EMEA”); and (iii) Asia/Pacific.

Hyper-inflationary economies

Argentina’s and Türkiye’s economies were considered hyper-inflationary under U.S. GAAP effective July 1, 2018 and April 1, 2022, respectively. As of, and for the three and six months ended June 30, 2024, the Company's Argentine and Turkish subsidiaries together represented 1% and 2% of the Company’s consolidated total assets and net sales, respectively. During the three and six months ended June 30, 2024, the Company recorded $0.6 million of remeasurement losses and $0.3 million of net remeasurement gains associated with the applicable currency conversions, respectively. Comparatively, during the three and six months ended June 30, 2023, the Company recorded $1.1 million and $1.6 million of remeasurement losses associated with the applicable currency conversions, respectively. These gains and losses were recorded within Other income (expense), net, in the Company’s Condensed Consolidated Statements of Operations.

Note 2 – Business Acquisitions

Subsequent to the date of these financial statements, in July 2024, the Company acquired Sutai Group (“Sutai”), for approximately 2.3 billion Japanese yen, or approximately $14.6 million, subject to routine and customary post-closing adjustments and earn-out provisions. Sutai is based in Japan and provides impregnation treatment products and services to the automotive industry and a variety of other industries. Sutai will be reported as part of the Asia/Pacific reportable segment. This acquisition strengthens Quaker Houghton’s technology portfolio, enabling the Company to better support and optimize production processes for customers across the Japanese, Asia Pacific and global markets.

During February 2024, the Company acquired I.K.V. Tribologie IKVT and its subsidiaries ("IKV") for 32.6 million EUR, or $35.2 million, including an initial cash payment of 27.6 million EUR, or $29.7 million, subject to routine and customary post-closing adjustments related to working capital and net indebtedness levels as well as earn-out provisions related to the finalization of 2023 earnings. Assets acquired included approximately $4.8 million of cash and cash equivalents. IKV, which is part of the Company's EMEA segment, specializes in high-performance lubricants and greases, including original equipment manufacturer first-fill greases that are primarily used in the automotive, aerospace, electronics, and other industrial markets. The acquisition of IKV strengthens the Company's position in first-fill greases. The Company preliminarily allocated $15.0 million of the purchase price to intangible assets, comprised of approximately $11.1 million of customer relationships to be amortized over 16 years; $3.2 million of product technologies to be amortized over 14 years; and $0.7 million of trademarks to be amortized over 5 years. In addition, the Company recognized $16.4 million of goodwill in the EMEA segment, none of which is deductible for tax purposes. The goodwill recognized on the transaction is primarily attributable to expected cost and growth synergies. Subsequent to the date of these financial statements, the 2023 earnings were finalized and the Company made a payment of 5.0 million EUR, or $5.5 million, in connection with the post-closing adjustments and earn-out provision. As of June 30, 2024, the allocation of the purchase price has not been finalized.

The results of operations of IKV subsequent to the acquisition date are included in the unaudited Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2024.

Note 3 – Recently Issued Accounting Standards

Recently Issued Accounting Standards Not Yet Adopted

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* in November 2023. This ASU expands on reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, defined as those expenses that are regularly provided to the chief operating decision maker and included in the reported measure of segment profit or loss. ASU 2023-07 is effective for annual reports for fiscal years beginning after December 15, 2023, with early adoption permitted. The Company is currently evaluating the disclosure requirements of this standard and the impact on its Consolidated Financial Statements.

The FASB issued ASU 2023-09, *Income Taxes (Topic 740)*: *Improvements to Income Tax Disclosures* in December 2023. This ASU requires public business entities to disclose additional information in specified categories with respect to the reconciliation of the effective tax rate to the statutory rate (the "rate reconciliation") for federal, state, and foreign income taxes. It also requires greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a specified threshold. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the disclosure requirements of this standard and the impact on its Consolidated Financial Statements.

Note 4 – Business Segments

The Company's operating segments, which are consistent with its reportable segments, reflect the structure of the Company's internal organization, the method by which the Company's resources are allocated, and the manner by which the chief operating decision maker assesses the Company's performance. The Company has three reportable segments: (i) Americas; (ii) EMEA; and (iii) Asia/Pacific.

Segment operating earnings for each of the Company's reportable segments are comprised of the segment's net sales less directly related Cost of goods sold ("COGS"), and Selling, general and administrative expenses ("SG&A"). Operating expenses not directly attributable to the net sales of each respective segment, such as certain corporate and administrative costs and Restructuring and related charges, net, are not included in segment operating earnings. Other items not specifically identified with the Company's reportable segments include Interest expense, net and Other income (expense), net.

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

The following table presents information about the performance of the Company's reportable segments:

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net sales				
Americas	$ 223,517	$ 253,219	$ 453,271	$ 504,632
EMEA	138,001	143,533	276,423	295,982
Asia/Pacific	102,049	98,692	203,632	194,978
Total net sales	$ 463,567	$ 495,444	$ 933,326	$ 995,592
Segment operating earnings				
Americas	$ 64,137	$ 69,007	$ 130,906	$ 135,132
EMEA	26,652	25,583	56,223	53,154
Asia/Pacific	31,000	27,989	61,377	55,641
Total segment operating earnings	121,789	122,579	248,506	243,927
Restructuring and related charges, net	(320)	(1,043)	(2,177)	(5,015)
Non-operating and administrative expenses	(47,584)	(49,950)	(101,760)	(101,721)
Depreciation of corporate assets and amortization	(15,436)	(14,791)	(30,594)	(30,467)
Operating income	58,449	56,795	113,975	106,724
Other income (expense), net	422	(3,606)	1,502	(5,845)
Interest expense, net	(10,754)	(12,721)	(21,578)	(25,963)
Income before taxes and equity in net income of associated companies	$ 48,117	$ 40,468	$ 93,899	$ 74,916

The following table summarizes inter-segment revenues. All inter-segment transactions have been eliminated from each reportable segment's net sales and earnings for all periods presented in the above tables.

Inter-segment revenues	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Americas	$ 2,385	$ 2,179	$ 4,898	$ 5,006
EMEA	5,479	7,463	12,539	13,556
Asia/Pacific	1,945	476	3,076	536

Note 5 – Net Sales and Revenue Recognition

Arrangements Resulting in Net Reporting

As part of the Company's Fluidcare™ business, certain third-party product sales to customers are managed by the Company. The Company transferred third-party products under arrangements recognized on a net reporting basis of $19.2 million and $39.0 million for the three and six months ended June 30, 2024, respectively, and $21.0 million and $41.7 million for the three and six months ended June 30, 2023, respectively.

Customer Concentration

A significant portion of the Company's revenues are realized from the sale of process fluids and services to manufacturers of steel, aluminum, automobiles, aerospace, industrial and agricultural equipment, and durable goods. As previously disclosed in the Company's 2023 Form 10-K, the Company's five largest customers combined (each composed of multiple subsidiaries or divisions with semiautonomous purchasing authority) accounted for approximately 12% of consolidated net sales for 2023, with its largest customer accounting for approximately 3% of consolidated net sales.

Contract Assets and Liabilities

The Company had no material contract assets recorded on its Condensed Consolidated Balance Sheets as of June 30, 2024 or December 31, 2023.

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

The Company had approximately $3.2 million and $4.5 million of deferred revenue as of June 30, 2024 and December 31, 2023, respectively. For the six months ended June 30, 2024, the Company satisfied materially all of the associated performance obligations and recognized into revenue materially all advance payments received and recorded as of December 31, 2023.

Disaggregated Revenue

The Company sells its various industrial process fluids, its specialty chemicals and its technical expertise as a global product portfolio. The Company generally manages and evaluates its performance by reportable segment first, and then by customer industries. Net sales of each of the Company's major product lines are generally spread throughout all three of the Company's geographic regions, and in most cases, are approximately proportionate to the level of total sales in each region.

The following tables disaggregate the Company's net sales by segment and customer industry.

	Three Months Ended June 30, 2024			
Customer Industries	**Americas**	**EMEA**	**Asia/Pacific**	**Consolidated Total**
Metals	$ 63,753	$ 35,307	$ 50,150	$ 149,210
Metalworking and other	159,764	102,694	51,899	314,357
	$ 223,517	$ 138,001	$ 102,049	$ 463,567

	Six Months Ended June 30, 2024			
Customer Industries	**Americas**	**EMEA**	**Asia/Pacific**	**Consolidated Total**
Metals	$ 129,779	$ 68,127	$ 101,061	$ 298,967
Metalworking and other	323,492	208,296	102,571	634,359
	$ 453,271	$ 276,423	$ 203,632	$ 933,326

	Three Months Ended June 30, 2023			
Customer Industries	**Americas**	**EMEA**	**Asia/Pacific**	**Consolidated Total**
Metals	$ 68,743	$ 32,643	$ 48,129	$ 149,515
Metalworking and other	184,476	110,890	50,563	345,929
	$ 253,219	$ 143,533	$ 98,692	$ 495,444

	Six Months Ended June 30, 2023			
Customer Industries	**Americas**	**EMEA**	**Asia/Pacific**	**Consolidated Total**
Metals	$ 136,877	$ 71,746	$ 94,789	$ 303,412
Metalworking and other	367,755	224,236	100,189	692,180
	$ 504,632	$ 295,982	$ 194,978	$ 995,592

Note 6 - Leases

The Company has operating leases for certain facilities, vehicles, and machinery and equipment with remaining lease terms up to 11 years. Operating lease expense is recognized on a straight-line basis over the lease term. In addition, the Company has certain land use leases with remaining lease terms up to 91 years.

The Company had no material variable lease costs, sublease income, or finance leases for the three and six months ended June 30, 2024 and 2023. The components of the Company's lease expense are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Operating lease expense	$ 3,727	$ 3,710	$ 7,470	$ 7,646
Short-term lease expense	193	183	392	394

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

Supplemental cash flow information related to the Company's leases is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$ 3,736	$ 3,773	$ 7,397	$ 7,630
Non-cash lease liabilities activity:				
Leased assets obtained in exchange for new operating lease liabilities	2,130	823	5,364	3,656

Supplemental balance sheet information related to the Company's leases is as follows:

	June 30, 2024	December 31, 2023
Right-of-use lease assets	$ 36,693	$ 38,614
Other current liabilities	11,477	11,965
Long-term lease liabilities	21,671	22,937
Total operating lease liabilities	$ 33,148	$ 34,902
Weighted average remaining lease term (years)	4.9	5.1
Weighted average discount rate	5.32 %	4.91 %

Maturities of operating lease liabilities as of June 30, 2024 were as follows:

For the remainder of 2024	$ 6,994
For the year ended December 31, 2025	10,747
For the year ended December 31, 2026	8,088
For the year ended December 31, 2027	4,420
For the year ended December 31, 2028	2,486
For the year ended December 31, 2029 and beyond	5,288
Total lease payments	38,023
Less: imputed interest	(4,875)
Present value of lease liabilities	$ 33,148

Note 7 – Restructuring and Related Activities

In 2022, the Company initiated a global cost and optimization program to improve its cost structure and drive a more profitable and productive organization. As of June 30, 2024, the program included restructuring and associated severance costs to reduce headcount by approximately 120 positions globally. These headcount reductions began in the fourth quarter of 2022 and are expected to be completed in 2024.

Employee separation benefits vary depending on local regulations within certain foreign countries and include severance and other benefits. The exact timing to complete, and final costs associated with, all actions will depend on a number of factors and are subject to change. Restructuring costs incurred during the three and six months ended June 30, 2024 and 2023 include employee severance and facility closure costs that are recorded in Restructuring and related charges, net in the Company's Condensed Consolidated Statements of Operations.

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

Changes in the Company's accruals for its restructuring program are as follows:

Accrued restructuring as of December 31, 2023	$ 3,350
Restructuring and related charges, net	2,177
Cash payments	(4,442)
Currency translation adjustments	(37)
Accrued restructuring as of June 30, 2024	$ 1,048

In connection with the plans for closure of certain manufacturing and non-manufacturing facilities, the Company has made available for sale certain facilities and property. As of June 30, 2024, the Company classified certain properties with aggregate book value of approximately $2.1 million as held-for-sale. These assets are recorded in Prepaid expenses and other current assets on the Company's Condensed Consolidated Balance Sheets. The Company expects to complete the sale of these properties over the next 12 months. During the three and six months ended June 30, 2024, the Company completed the sale of certain facilities previously classified as held for sale for a net gain of $0.5 million, which is recorded in Other income (expenses), net in the Company's Condensed Consolidated Statements of Operations.

Note 8 – Share-Based Compensation

The Company recognized the following share-based compensation expense in its Condensed Consolidated Statements of Operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Stock options	$ 39	$ 203	$ 214	$ 634
Non-vested stock awards and restricted stock units	2,593	2,592	5,128	4,763
Director stock ownership plan	30	16	60	26
Performance stock units	1,582	1,076	2,726	1,991
Total share-based compensation expense	$ 4,244	$ 3,887	$ 8,128	$ 7,414

Stock Options

As of June 30, 2024, unrecognized compensation expense related to unvested stock options was $0.1 million, to be recognized over a weighted average remaining period of 0.8 years.

Restricted Stock Awards

During the six months ended June 30, 2024, the Company granted 872 non-vested restricted share awards under its long-term incentive plan ("LTIP"), which are subject to time-based vesting, generally over one to three years. As of June 30, 2024, unrecognized compensation expense related to non-vested restricted shares was $2.8 million, to be recognized over a weighted average remaining period of 1.2 years.

Restricted Stock Units

During the six months ended June 30, 2024, the Company granted 55,227 restricted stock units under its LTIP, which are subject to time-based vesting, generally over one to three years. The fair value of these grants is based on the closing price of the Company's common stock on the date of grant. As of June 30, 2024, unrecognized compensation expense related to non-vested restricted stock units was $9.4 million, to be recognized over a weighted average remaining period of 1.7 years.

Performance Stock Units

As a component of its LTIP, the Company grants performance-based stock unit awards ("PSUs"). The number of shares that may ultimately be issued as settlement for each award may range from 0% up to 200% of the target award, subject to the achievement of the Company's market-based total shareholder return ("TSR") metric relative to the performance of a selected peer group, and separately the achievement of a performance-based return on invested capital ("ROIC") measure. The service vesting period required for the PSUs is generally three years and the measurement period of the market-based and performance objectives is generally from January 1 of the year of grant through December 31 of the year prior to issuance of the shares.

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

As mentioned above, a portion of the Company's PSU valuation is subject to the achievement of the Company's TSR relative to the performance of a selected peer group. For PSUs granted prior to 2024, the Company's peer group was the S&P Midcap 400 Materials group. For the 2024 annual LTIP grants, the Company made an election to change peer groups to the S&P 1500 Chemical group to measure the Company's relative TSR.

Compensation expense for PSUs is measured based on the grant date fair value and is recognized on a straight-line vesting method basis over the applicable vesting period. During the six months ended June 30, 2024, the Company granted 20,205 PSUs with a ROIC condition at a grant date fair value of $200.16 per unit, which was based on the closing trading price of the Company's common stock on the date of grant. PSUs granted with a relative TSR condition are valued using a Monte Carlo simulation on the date of grant. The grant-date fair value of the PSUs valued using a Monte Carlo simulation was $234.19 per unit, which incorporated the assumptions set forth in the table below:

	2024 Grants
Number of PSUs granted	20,078
Risk-free interest rate	4.55%
Dividend yield	0.91%
Expected term (years)	3.0

As of June 30, 2024, there was approximately $12.0 million of total unrecognized compensation cost related to PSUs, which the Company expects to recognize over a weighted-average period of 2.3 years.

Note 9 – Pension and Other Postretirement Benefits

The components of net periodic benefit cost (income) are as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	Pension Benefits		Other Postretirement Benefits		Pension Benefits		Other Postretirement Benefits	
	2024	2023	2024	2023	2024	2023	2024	2023
Service cost	$ 108	$ 107	$ —	$ —	$ 217	$ 211	$ —	$ —
Interest cost	2,364	2,511	15	19	4,738	4,973	31	38
Expected return on plan assets	(2,020)	(2,026)	—	—	(4,050)	(4,023)	—	—
Actuarial loss (gain) amortization	127	103	(29)	(30)	255	205	(59)	(60)
Prior service cost (income) amortization	7	—	—	(4)	14	—	—	(8)
Net periodic benefit cost (income)	$ 586	$ 695	$ (14)	$ (15)	$ 1,174	$ 1,366	$ (28)	$ (30)

Employer Contributions

During the six months ended June 30, 2024, $1.9 million of contributions have been made to the Company's U.S. and foreign pension plans. Contributions to other postretirement benefit plans were not material. Taking into consideration current minimum cash contribution requirements, the Company currently expects to make full year cash contributions of approximately $5.7 million to its U.S. and foreign pension plans and approximately $0.2 million to its other postretirement benefit plans.

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

Note 10 – Other income (expense), net

The components of Other income (expense), net are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Non-income tax refunds and other related credits	$ 868	$ 888	3,023	1,248
Income from third party license fees	170	321	$ 395	$ 646
Gain on disposals of property, plant, equipment and other assets, net	510	—	917	—
Foreign exchange losses, net	(727)	(4,225)	(1,175)	(7,551)
Pension and postretirement benefit costs, non-service components	(464)	(573)	(929)	(1,125)
Facility remediation recoveries, net	—	187	—	1,014
Product liability claim	—	—	(896)	—
Other non-operating income (expense), net	65	(204)	167	(77)
Total other income (expense), net	$ 422	$ (3,606)	$ 1,502	$ (5,845)

Gain on disposals of property, plant, equipment and other assets, net includes the net gains recognized for the sale of certain facilities previously classified as held for sale during the three and six months ended June 30, 2024. See Note 7 of Notes to the Condensed Consolidated Financial Statements.

Facility remediation recoveries, net, during the three and six months ended June 30, 2023, reflect insurance recoveries of costs for remediation and restoration of property damage. See Note 18 for discussion regarding the Company's related business interruption claims.

Product liability claim represents expense related to the payments by the Company in connection with a product liability dispute with a customer during the six months ended June 30, 2024.

Note 11 – Income Taxes

The Company's effective tax rates for the three and six months ended June 30, 2024 were 32.8% and 30.1%, respectively, compared to 34.2% and 31.2% for the three and six months ended June 30, 2023, respectively. The Company's effective tax rates for the three and six months ended June 30, 2024 were largely driven by the mix of pre-tax earnings, certain one-time charges related to an intercompany intangible asset transfer, and withholding taxes, offset by changes in uncertain tax positions. Comparatively, the effective tax rates for the three and six months ended June 30, 2023 were largely impacted by the mix of pre-tax earnings, changes to the valuation allowance for and the usage of certain foreign tax credits, and withholding taxes, partially offset by changes in uncertain tax positions and favorable return to provision adjustments.

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

Note 12 – Earnings Per Share

The following table summarizes earnings per share calculations:

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Basic earnings per common share				
Net income attributable to Quaker Chemical Corporation	$ 34,885	$ 29,346	$ 70,112	$ 58,880
Less: income allocated to participating securities	(118)	(154)	(276)	(299)
Net income available to common shareholders	$ 34,767	$ 29,192	$ 69,836	$ 58,581
Basic weighted average common shares outstanding	17,921,395	17,892,444	17,915,104	17,879,629
Basic earnings per common share	$ 1.94	$ 1.63	$ 3.90	$ 3.28
Diluted earnings per common share				
Net income attributable to Quaker Chemical Corporation	$ 34,885	$ 29,346	$ 70,112	$ 58,880
Less: income allocated to participating securities	(118)	(154)	(276)	(299)
Net income available to common shareholders	$ 34,767	$ 29,192	$ 69,836	$ 58,581
Basic weighted average common shares outstanding	17,921,395	17,892,444	17,915,104	17,879,629
Effect of dilutive securities	18,761	28,970	19,846	30,277
Diluted weighted average common shares outstanding	17,940,156	17,921,414	17,934,950	17,909,906
Diluted earnings per common share	$ 1.94	$ 1.63	$ 3.89	$ 3.27

Certain stock options, restricted stock units, and PSUs are not included in the diluted earnings per share calculation when the effect would have been anti-dilutive. The calculated amount of anti-diluted shares not included were 16,098 and 31,000 for the three and six months ended June 30, 2024, respectively, and 8,232 and 10,940 for the three and six months ended June 30, 2023, respectively.

Note 13 – Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill for the six months ended June 30, 2024 were as follows:

	Americas	EMEA	Asia/Pacific	Total
Balance as of December 31, 2023	$ 283,103	$ 65,940	$ 163,475	$ 512,518
Goodwill additions	—	16,448	—	16,448
Currency translation adjustments	(2,927)	(816)	(7,641)	(11,384)
Balance as of June 30, 2024	$ 280,176	$ 81,572	$ 155,834	$ 517,582

Gross carrying amounts and accumulated amortization for definite-lived intangible assets were as follows:

	Gross Carrying Amount		Accumulated Amortization		Net Book Value	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Customer lists and rights to sell	$ 837,946	$ 841,562	$ 264,378	$ 243,872	$ 573,568	$ 597,690
Trademarks, formulations and product technology	162,620	161,613	59,421	55,879	103,199	105,734
Other	5,814	5,892	5,708	5,776	106	116
Total definite-lived intangible assets	$ 1,006,380	$ 1,009,067	$ 329,507	$ 305,527	$ 676,873	$ 703,540

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

The Company amortizes definite-lived intangible assets on a straight-line basis over their useful lives. The Company recorded amortization expense as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Amortization expense	$ 14,744	$ 14,692	$ 29,215	$ 29,205

Estimated annual aggregate amortization expense for the current year and subsequent five years is as follows:

For the remainder of 2024	$ 28,986
For the year ended December 31, 2025	57,855
For the year ended December 31, 2026	57,168
For the year ended December 31, 2027	56,875
For the year ended December 31, 2028	56,535
For the year ended December 31, 2029	56,020

As of June 30, 2024 and December 31, 2023, the Company had indefinite-lived intangible assets for trademarks and tradenames totaling $189.3 million and $193.2 million, respectively.

Note 14 – Debt

The following table sets forth the components of the Company's debt:

	As of June 30, 2024		As of December 31, 2023	
	Interest Rate	Outstanding Balance	Interest Rate	Outstanding Balance
Credit Facilities:				
Revolver	4.75%	$ 51,437	5.13%	$ 30,904
U.S. Term Loan	6.55%	529,008	6.71%	561,250
Euro Term Loan	4.75%	146,024	5.13%	152,366
Industrial development bonds	5.26%	10,000	5.26%	10,000
Bank lines of credit and other debt obligations	Various	956	Various	1,092
Total debt		$ 737,425		$ 755,612
Less: debt issuance costs		(1,322)		(1,545)
Less: short-term and current portion of long-term debts		(32,448)		(23,444)
Total long-term debt		$ 703,655		$ 730,623

Credit facilities

During June 2022, the Company, and its wholly owned subsidiary, Quaker Houghton B.V., as borrowers, Bank of America, N.A., as administrative agent, U.S. dollar swing line lender and letter of credit issuer, Bank of America Europe Designated Active Company, as Euro Swing Line Lender, certain guarantors and other lenders entered into an amendment to its primary credit facility. The amended credit facility (the "Credit Facility") established (A) a $150.0 million Euro equivalent senior secured term loan (the "Euro Term Loan"), (B) a $600.0 million senior secured term loan (the "U.S. Term Loan"), and (C) a $500.0 million senior secured revolving credit facility (the "Revolver"), each maturing in June 2027. The Company has the right to increase the amount of the Credit Facility by an aggregate amount not to exceed the greater of $300.0 million or 100% of Consolidated EBITDA, subject to certain conditions including the agreement to provide financing by any lender providing such increase.

As of June 30, 2024, the Company was in compliance with all of the Credit Facility covenants. See Note 19 of Notes to Consolidated Financial Statements in the Company's 2023 Form 10-K.

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

The weighted average variable interest rate incurred on the outstanding borrowings under the Credit Facility during the three and six months ended June 30, 2024 were approximately 6.2% and 6.3%, respectively. As of June 30, 2024, the interest rate on the outstanding borrowings under the Credit Facility was approximately 6.1%. As part of the Credit Facility, in addition to paying interest on outstanding principal, the Company is also required to pay an annual commitment fee ranging from 0.150% to 0.275% related to unutilized commitments under the Revolver, depending on the Company's consolidated net leverage ratio. The Company had unused capacity under the Revolver of approximately $445 million, which is net of bank letters of credit of approximately $3 million, as of June 30, 2024.

In order to manage the Company's exposure to variable interest rate risk associated with the Credit Facility, in the first quarter of 2023, the Company entered into $300.0 million notional amounts of three-year interest rate swaps to convert a portion of the Company's variable rate borrowings to an average fixed rate of 3.64% plus an applicable margin as provided in the Credit Facility based on the Company's consolidated net leverage ratio. As of June 30, 2024, the aggregate interest rate on the swaps, including the fixed base rate plus the applicable margin, was 5.3%. See Note 17 of Notes to Condensed Consolidated Financial Statements.

In connection with executing the original credit facility in 2019 and the amended Credit Facility during the second quarter of 2022, the Company capitalized an aggregate of $2.2 million of certain third-party and creditor debt issuance costs. Approximately $0.7 million of the capitalized costs were attributed to the Euro Term Loan and U.S. Term Loan. These costs were recorded as a direct offset of Long-term debt on the Condensed Consolidated Balance Sheet. Approximately $1.5 million of the capitalized costs were attributed to the Revolver and recorded within Other assets on the Condensed Consolidated Balance Sheet. These capitalized costs will collectively be amortized into Interest expense over the five-year term of the Credit Facility. As of June 30, 2024, the Company had $1.3 million of debt issuance costs recorded as an offset of Long-term debt on the Condensed Consolidated Balance Sheets and $2.9 million of debt issuance costs recorded within Other assets on the Condensed Consolidated Balance Sheet. Comparatively, as of December 31, 2023, the Company had $1.5 million of debt issuance costs recorded as an offset of Long-term debt on the Condensed Consolidated Balance Sheets and $3.3 million of debt issuance costs recorded within Other assets on the Condensed Consolidated Balance Sheets.

Industrial development bonds

As of June 30, 2024 and December 31, 2023, the Company had fixed rate, industrial development authority bonds totaling $10.0 million in principal amount due in 2028. These bonds have similar covenants to the Credit Facility noted above.

Bank lines of credit and other debt obligations

The Company has certain unsecured bank lines of credit and discounting facilities in certain foreign subsidiaries, which are not collateralized. The Company's other debt obligations primarily consist of certain domestic and foreign low interest rate or interest-free municipality-related loans, local credit facilities of certain foreign subsidiaries, and finance lease obligations. Total unused capacity under these arrangements as of June 30, 2024 was approximately $34 million.

In addition to the bank letters of credit described in the "Credit facilities" subsection above, the Company's other off-balance sheet arrangements include certain financial and other guarantees. The Company's total bank letters of credit and guarantees outstanding as of June 30, 2024 were approximately $4 million.

Interest expense, net

The Company incurred the following debt related expenses included within Interest expense, net, in the Condensed Consolidated Statements of Operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Interest expense	$ 11,530	$ 14,389	$ 22,812	$ 28,265
Amortization of debt issuance costs	353	353	706	706
Total	$ 11,883	$ 14,742	$ 23,518	$ 28,971

Based on the variable interest rates associated with the Credit Facility, as of June 30, 2024 and as of December 31, 2023, the amounts at which the Company's total debt were recorded are not materially different from their fair market value.

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

Note 15 – Accumulated Other Comprehensive Income

The following tables show the reclassifications from and resulting balances of accumulated other comprehensive income ("AOCI"):

	Currency Translation Adjustments	Defined Benefit Pension Plans	Unrealized (Loss) Gain in Available-for-Sale Securities	Derivative Instruments	Total
Balance as of March 31, 2024	$ (140,733)	$ (10,384)	$ 378	$ 3,752	$ (146,987)
Other comprehensive (loss) income before Reclassifications	(18,841)	113	(58)	(19)	(18,805)
Amounts reclassified from AOCI	—	59	3	—	62
Related tax amounts	—	(47)	11	4	(32)
Balance as of June 30, 2024	$ (159,574)	$ (10,259)	$ 334	$ 3,737	$ (165,762)
Balance as of March 31, 2023	$ (117,696)	$ (4,721)	$ (1,150)	$ 390	$ (123,177)
Other comprehensive (loss) income before Reclassifications	(13,042)	854	979	5,420	(5,789)
Amounts reclassified from AOCI	—	78	591	—	669
Related tax amounts	—	(235)	(329)	(1,247)	(1,811)
Balance as of June 30, 2023	$ (130,738)	$ (4,024)	$ 91	$ 4,563	$ (130,108)

	Currency Translation Adjustments	Defined Benefit Pension Plans	Unrealized (Loss) Gain in Available-for-Sale Securities	Derivative Instruments	Total
Balance as of December 31, 2023	$ (115,417)	$ (10,738)	$ 333	$ 1,407	$ (124,415)
Other comprehensive (loss) income before reclassifications	(44,157)	433	5	3,026	(40,693)
Amounts reclassified from AOCI	—	209	(4)	—	205
Related tax amounts	—	(163)	—	(696)	(859)
Balance as of June 30, 2024	$ (159,574)	$ (10,259)	$ 334	$ 3,737	$ (165,762)
Balance as of December 31, 2022	$ (132,161)	$ (4,595)	$ (1,484)	$ —	$ (138,240)
Other comprehensive income before reclassifications	1,423	611	1,442	5,926	9,402
Amounts reclassified from AOCI	—	154	551	—	705
Related tax amounts	—	(194)	(418)	(1,363)	(1,975)
Balance as of June 30, 2023	$ (130,738)	$ (4,024)	$ 91	$ 4,563	$ (130,108)

All reclassifications related to unrealized (loss) gain in available-for-sale securities relate to the Company's equity interest in a captive insurance company and are recorded in equity in net income of associated companies. The amounts reported in other comprehensive income for noncontrolling interest are related to currency translation adjustments.

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

Note 16 – Fair Value Measurements

The Company values its company-owned life insurance policies at fair value. During June 2023, the Company surrendered and liquidated $1.9 million of these life insurance policies. As a result, the Company owns an immaterial amount of company-owned life insurance policies as of June 30, 2024 and December 31, 2023.

See Note 17 for a description of the Company's derivative instruments.

Note 17 – Hedging Activities

The Company's ongoing business operations expose it to various risks, including fluctuating foreign exchange rates and interest rate risk. To manage these risks, the Company periodically enters into derivative financial instruments, such as foreign exchange forward contracts and interest rate swap agreements. The Company does not hold or enter into financial instruments for trading or speculative purposes.

Foreign Exchange Forward Contracts

The Company uses foreign exchange forward contracts to economically hedge the impact of the variability in exchange rates on certain assets and/or liabilities denominated in certain foreign currencies. These forward contracts are marked-to-market at each reporting date. Changes in the fair value of the underlying instrument and settlements are recognized in earnings in Other income (expense), net. The fair value of the forward contract is determined from sources independent of the Company, including the financial institutions which are party to the derivative instruments.

Open foreign exchange forward contracts as of June 30, 2024 were entered into as hedges in Japanese yen, Mexican peso and Chinese yuan against the U.S. dollar. As of June 30, 2024, the Company had open foreign exchange forward contracts with notional U.S. dollar values of the following:

Currency		June 30, 2024
Mexican Peso	$	30,600
Japanese Yen		5,000
Chinese Yuan		4,200
	$	39,800

Open foreign exchange forward contracts as of June 30, 2024 had maturities occurring over a period of one month.

Interest Rate Swaps

In order to manage the Company's exposure to variable interest rate risk associated with the Credit Facility, such as the Secured Overnight Financing Rate ("SOFR"), in the first quarter of 2023, the Company entered into $300.0 million notional amounts of three-year interest rate swaps to convert a portion of the Company's variable rate borrowings into a fixed rate obligation. See Note 14 of Notes to Condensed Consolidated Financial Statements. These interest rate swaps are designated as cash flow hedges and, as such, the contracts are marked-to-market at each reporting date and any unrealized gains or losses are included in AOCI to the extent effective and reclassified to interest expense in the period during which these hedged transactions affect earnings or it becomes probable that the forecasted transaction will not occur.

The balance sheet classification and fair values of the Company's derivative instruments, which are Level 2 measurements, are as follows:

Derivatives instruments	Condensed Consolidated Balance Sheets Location		June 30, 2024		December 31, 2023
Interest rate swaps:	Other non-current assets	$	4,854	$	1,828
Foreign currency forward contracts:	Other accrued liabilities		1,141		159

The following table presents the net unrealized gain deferred to AOCI:

Derivatives designated as cash flow hedges			June 30, 2024		December 31, 2023
Interest rate swaps	AOCI	$	3,737	$	1,407

(Unaudited; Dollars in thousands, except per share amounts, unless otherwise stated)

The following table presents the location and the amount of net gain or loss recognized in the Company's Condensed Consolidated Statements of Operations related to derivative instruments:

Derivative instruments	Condensed Consolidated Statements of Operations	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Interest rate swaps	Interest expense, net	$ 1,273	$ 1,061	$ 2,559	$ 1,061
Foreign exchange forward contracts	Other income (expense), net	(1,675)	1,843	(732)	2,135
Total		$ (402)	$ 2,904	$ 1,827	$ 3,196

Note 18 – Commitments and Contingencies

As previously disclosed in its 2023 Form 10-K, the Company is party to certain environmental matters and other litigation. See Note 25 of Notes to Consolidated Financial Statements in the Company's 2023 Form 10-K. During the three and six months ended June 30, 2024, there have been no significant changes to the facts or circumstances of any of the previously disclosed matters. Although there can be no assurance regarding the outcome of any of the ongoing environmental matters or litigation, the Company believes that it has made adequate accruals for costs and liabilities associated with these matters. The Company has accrued approximately $5 million as of June 30, 2024 and December 31, 2023, respectively, for these ongoing matters.

The Company previously disclosed in its 2023 Form 10-K that one of its locations suffered property damage as a result of an electrical fire. The Company and its insurance carrier reviewed the impact of the electrical fire on the production facility's operations as it relates to a potential business interruption insurance claim. Subsequent to the date of these financial statements, in July 2024, the Company and its insurance carrier settled this claim for $1.0 million.

In December 2021, the Company completed its acquisition of Coral Chemical Company ("Coral"), a privately held, U.S.-based provider of metal finishing fluid solutions. Subsequent to the acquisition, the Company and the sellers of Coral (the "Sellers") have worked to finalize certain post-closing adjustments. During the second quarter of 2022, after failing to reach resolution, the Sellers filed suit asserting certain amounts owed related to tax attributes of the acquisition. Since the second quarter of 2022, there have been no material changes to the facts and circumstances of the claim asserted by the Sellers, and the Company continues to believe the potential range of exposure for this claim is $0 to $1.5 million.

In addition, during the three and six months ended June 30, 2024, there are no new environmental matters or litigation that the Company believes will have a material adverse effect on the Company's results of operations, cash flows, or financial condition.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

As used in this Report, the terms "Quaker Houghton," the "Company," "we" and "our" refer to Quaker Chemical Corporation (doing business as Quaker Houghton), its subsidiaries, and associated companies, unless the context otherwise requires.

Executive Summary

Quaker Houghton is the global leader in industrial process fluids. With a presence around the world, including operations in over 25 countries, our customers include thousands of the world's most advanced and specialized steel, aluminum, automotive, aerospace, offshore, container, mining, and metalworking companies. Our high-performing, innovative and sustainable solutions are backed by best-in-class technology, deep process knowledge, and customized services. Quaker Houghton is headquartered in Conshohocken, Pennsylvania, located near Philadelphia in the U.S.

Quaker Houghton delivered solid results in the second quarter of 2024. Net sales in the second quarter of 2024 were $463.6 million, a decrease of 6% compared to $495.4 million in the second quarter of 2023. This was primarily driven by a decrease in selling price and product mix of approximately 4%, a 1% decrease in sales volumes, and an unfavorable impact from foreign currency translation of 1%. The decrease in selling price and product mix was primarily attributable to our index-based customer contracts. The decline in sales volumes was a result of a continuation of soft end market conditions compared to the prior year, primarily in the Americas and EMEA segments, partially offset by an increase in end market activity in the Asia/Pacific segment as well as new business wins across all segments.

The Company generated net income in the second quarter of 2024 of $34.9 million, or $1.94 per diluted share, compared to net income of $29.3 million, or $1.63 per diluted share in the second quarter of 2023. Excluding non-recurring and non-core items in each period, the Company's second quarter 2024 non-GAAP earnings per diluted share was $2.13 compared to $1.93 in the prior year quarter and the Company's current quarter adjusted EBITDA was $84.3 million compared to $80.2 million in the second quarter of 2023. The increase in current quarter earnings was primarily driven by an improvement in gross margins related to pricing actions, lower raw material costs and selling, general and administrative expenses ("SG&A"), and favorable impacts from foreign exchange, partially offset by higher professional fees. See the Non-GAAP Measures section of this Item below, as well as other items discussed in the Company's Consolidated Operations Review in the Operations section of this Item, below.

The Company's second quarter 2024 operating performance in each of its three reportable segments: (i) Americas; (ii) Europe, Middle East and Africa ("EMEA"); and (iii) Asia/Pacific, reflects similar drivers to that of the Company's consolidated performance. Operating earnings for the Asia/Pacific and EMEA segments increased compared to the prior year quarter, primarily driven by an improvement in operating margins in each segment. Operating earnings for the Americas segment decreased compared to the prior year quarter, primarily driven by lower sales partially offset by improved segment operating margins. Additional details of each segment's operating performance are further discussed in the Company's Reportable Segments Review, in the Operations section of this Item, below.

Net cash flows provided by operating activities were $73.5 million in the first six months of 2024 compared to $116.1 million in the first six months of 2023. The lower operating cash flow year-over-year reflects an increase in the net cash outflows from working capital in the first six months of 2024 partially offset by higher operating performance in the first six months of 2024 compared to 2023. The key drivers of the Company's operating cash flow and working capital are further discussed in the Company's Liquidity and Capital Resources section of this Item, below.

Overall, the Company delivered solid results in the second quarter of 2024 highlighted by an improvement in margins which translated into earnings growth, notwithstanding the persistent macroeconomic and geopolitical challenges, continued soft end market conditions and other factors that have impacted the Company's customers and end markets.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in "Management's Discussion and Analysis" and "Note 1 – Significant Accounting Policies" to the Consolidated Financial Statements in our 2023 Form 10-K. There have been no material changes to the critical accounting policies and estimates previously disclosed in its 2023 Form 10-K remain materially consistent.

Recently Issued Accounting Standards

See Note 3 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Report for a discussion regarding recently issued accounting standards.

Liquidity and Capital Resources

As of June 30, 2024, we had cash and cash equivalents of $188.6 million. Total cash and cash equivalents were $194.5 million as of December 31, 2023. The approximately $6.0 million decrease in cash and cash equivalents was the net result of $73.5 million of cash provided by operating activities, offset by $39.3 million of cash used in financing activities, $33.2 million of cash used in investing activities and an unfavorable impact of foreign currency translation of approximately $7.0 million.

Net cash flows provided by operating activities were $73.5 million in the first six months of 2024 compared to $116.1 million in the first six months of 2023. The decrease in net operating cash flow year-over-year reflects higher cash outflows from working capital in 2024, driven by an outflow from Inventory due to timing of sales and orders and higher Accounts payable and accrued liabilities outflows due primarily to higher incentive compensation payments in the current year. The decrease in net operating cash flows was partially offset by higher operating performance in 2024 compared to 2023.

Net cash flows used in investing activities were $33.2 million in the first six months of 2024 compared to $17.0 million in the first six months of 2023. The increase in cash used in investing activities year-over-year is the result of payments in the current year related to the IKV acquisition. See Note 2 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Report for further information about business acquisitions.

Net cash flows used in financing activities were $39.3 million in the first six months of 2024 compared to net cash flows used in financing activities of $89.0 million in the first six months of 2023. The decrease in net cash outflows was primarily related to net borrowings on the Company's revolving credit facility in the first six months of 2024 compared to net repayments in the first six months of 2023. In addition, during the first six months of 2024, the Company made payments of approximately $7.8 million for repurchases of its common stock under its share repurchase program. Also, the Company paid $16.4 million of cash dividends during the first six months of 2024, a $0.7 million, or 5%, increase compared to the prior year period.

During June 2022, the Company, and its wholly owned subsidiary, Quaker Houghton B.V., as borrowers, Bank of America, N.A., as administrative agent, U.S. dollar swing line lender and letter of credit issuer, Bank of America Europe Designated Active Company, as Euro Swing Line Lender, certain guarantors and other lenders entered into an amendment to its primary credit facility. The amended credit facility (the "Credit Facility") established (A) a $150.0 million Euro equivalent senior secured term loan (the "Euro Term Loan"), (B) a $600.0 million senior secured term loan (the "U.S. Term Loan"), and (C) a $500.0 million senior secured revolving credit facility (the "Revolver"), each maturing in June 2027. The Company has the right to increase the amount of the Credit Facility by an aggregate amount not to exceed the greater of $300.0 million or 100% of Consolidated EBITDA, subject to certain conditions including the agreement to provide financing by any lender providing such increase. The Credit Facility contains affirmative and negative covenants, financial covenants and events of default. Financial covenants contained in the Credit Facility include a consolidated interest coverage ratio test and a consolidated net leverage ratio test. As of June 30, 2024, the Company was in compliance with all of the Credit Facility covenants. Refer to the description of the Company's primary Credit Facility in Note 19 of Notes to Consolidated Financial Statements in its 2023 Form 10-K.

As of June 30, 2024, the Company had Credit Facility borrowings outstanding of $726.5 million. As of December 31, 2023, the Company had Credit Facility borrowings outstanding of $744.5 million. The Company's other debt obligations are primarily industrial development bonds, bank lines of credit and municipality-related loans, which totaled $11.0 million as of June 30, 2024 and $11.1 million as of December 31, 2023. Total unused capacity under these arrangements as of June 30, 2024 was approximately $34 million. The Company's total net debt as of June 30, 2024, which consists of total borrowings of $737.4 million less cash and cash equivalents of $188.6 million, was approximately $548.9 million.

The weighted average variable interest rate incurred on the outstanding borrowings under the Credit Facility during the three and six months ended June 30, 2024 were approximately 6.2% and 6.3%, respectively. As of June 30, 2024, the interest rate on the outstanding borrowings under the Credit Facility was approximately 6.1%. As part of the Credit Facility, in addition to paying interest on the outstanding principal, the Company is also required to pay an annual commitment fee ranging from 0.150% to 0.275% related to unutilized commitments under the Revolver, depending on the Company's consolidated net leverage ratio. The Company had unused capacity under the Revolver of approximately $445 million, which is net of bank letters of credit of approximately $3 million, as of June 30, 2024.

In order to manage the Company's exposure to variable interest rate risk associated with the Credit Facility, in the first quarter of 2023, the Company entered into $300.0 million notional amounts of three-year interest rate swaps to convert a portion of the Company's variable rate borrowings into an average fixed rate obligation of 3.64% plus an applicable margin as provided in the Credit Facility based on the Company's consolidated net leverage ratio. As of June 30, 2024, the aggregate interest rate on the swaps, including the fixed base rate plus the applicable margin, was 5.3%. See Note 17 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Report for further information.

In connection with executing the original credit facility in 2019 and the amended Credit Facility during the second quarter of 2022, the Company capitalized certain third-party and creditor debt issuance costs. Costs attributed to the Euro Term Loan and U.S. Term Loan were recorded as a direct offset of Long-term debt on the Condensed Consolidated Balance Sheet. Costs attributed to the Revolver were recorded within Other assets on the Condensed Consolidated Balance Sheet. These capitalized costs are collectively being amortized into Interest expense over the five-year term of the Credit Facility. As of June 30, 2024, the Company had $1.3 million of debt issuance costs recorded as an offset of Long-term debt on the Condensed Consolidated Balance Sheets and $2.9 million of debt issuance costs recorded within Other assets on the Condensed Consolidated Balance Sheet. Comparatively, as of December 31, 2023, the Company had $1.5 million of debt issuance costs recorded as an offset of Long-term debt on the Condensed Consolidated Balance Sheets and $3.3 million of debt issuance costs recorded within Other assets on the Condensed Consolidated Balance Sheet in Item 1 of this Report.

The Company uses foreign exchange forward contracts to economically hedge the impact of the variability in exchange rates on certain assets and/or liabilities denominated in certain foreign currencies. During the first six months of 2024, the Company entered into and settled forward contracts resulting in other expense of $0.7 million as compared to other income of $2.1 million during the first six months of 2023. See Note 17 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Report for further information.

During 2022, the Company's management initiated a global cost and optimization program to improve its cost structure and drive a more profitable and productive organization. The Company expects to generate full run-rate cost savings from the global cost and optimization program of approximately $20 million by the end of 2024. The Company expects total cash costs of this program to be approximately 1 to 1.5 times annualized savings. The Company recognized Restructuring and related charges of $2.2 million and $5.0 million for the six months ended June 30, 2024, and 2023, respectively, under this program. The Company made cash payments related to the settlement of restructuring liabilities under the restructuring program during the first six months of 2024 of approximately $4.4 million compared to $5.4 million in the first six months of 2023. The Company has remaining restructuring accruals, as of June 30, 2024, for this program of $1.0 million, which the Company expects to settle during 2024. See Note 7 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Report for further information.

As of June 30, 2024, the Company's gross liability for uncertain tax positions, including interest and penalties, was $19.6 million. The Company cannot determine a reliable estimate of the timing of cash flows by period related to its uncertain tax position liability. However, should the entire liability be paid, the amount of the payment may be reduced by up to $6.6 million as a result of offsetting benefits in other tax jurisdictions.

As previously disclosed in the Company's 2023 Form 10-K, on February 28, 2024, the Board of Directors of the Company approved a new share repurchase program ("2024 Share Repurchase Program"), authorizing the Company to repurchase up to an aggregate of $150 million of the Company's outstanding common stock and replacing the prior share repurchase program. The 2024 Share Repurchase Program was effective immediately and has no expiration date. The Company made certain repurchases under the 2024 Repurchase Program during the six months ended June 30, 2024, as mentioned above. See Item 2 within Part II of this Report for further information.

The Company previously disclosed in its 2023 Form 10-K that one of its locations suffered property damage as a result of an electrical fire. The Company and its insurance carrier continue to review the impact of the electrical fire on the production facility's operations as it relates to a potential business interruption insurance claim, and the Company has not recorded a gain contingency for a possible business interruption insurance claim as of June 30, 2024. Subsequent to the date of these financial statements, in July 2024, the Company and its insurance carrier settled this claim for $1.0 million.

The Company believes that its existing cash, anticipated cash flows from operations and available liquidity will be sufficient to support its operating requirements and fund its business objectives for at least the next twelve months, including but not limited to, payments of dividends to shareholders, share repurchases, capital expenditures, other growth opportunities (including potential acquisitions), pension plan contributions, implementing actions to achieve the Company's sustainability goals and other potential known or anticipated contingencies. The Company also believes it has sufficient additional liquidity to support its operating requirements and to fund its business obligations for the period beyond the next twelve months, including the aforementioned items which are expected to recur annually, as well as future principal and interest payments on the Company's Credit Facility, tax obligations and other long-term liabilities. The Company's liquidity is affected by many factors, some based on normal operations of our business and others related to the impact of the pandemic and other global events on our business and on global economic conditions as well as industry uncertainties, which we cannot predict. We also cannot predict economic conditions and industry downturns or the timing, strength or duration of recoveries. We may seek, as we believe appropriate, additional debt or equity financing that would provide capital for corporate purposes, working capital funding, additional liquidity needs or to fund future growth opportunities, including possible acquisitions and organic investments. The timing and amount of potential capital requirements cannot be determined at this time and will depend on a number of factors, including the actual and projected demand for our products, specialty chemical industry conditions, competitive factors, and the condition of financial markets, among others.

Non-GAAP Measures

The information in this Form 10-Q includes non-GAAP financial information that includes EBITDA, adjusted EBITDA, adjusted EBITDA margin, non-GAAP operating income, non-GAAP operating margin, taxes on income before equity in net income of associated companies – adjusted, non-GAAP net income and non-GAAP earnings per diluted share. The Company believes these non-GAAP financial measures provide meaningful supplemental information as they enhance a reader's understanding of the Company's financial performance and facilitate a comparison among fiscal periods, as the non-GAAP financial measures exclude items that are not considered indicative of future operating performance or not considered core to the Company's operations. Non-GAAP results are presented for supplemental informational purposes only and should not be considered a substitute for the financial information presented in accordance with GAAP. In addition, our definitions of EBITDA, adjusted EBITDA, adjusted EBITDA margin, non-GAAP operating income, non-GAAP operating margin, taxes on income before equity in net income of associated companies – adjusted, non-GAAP net income and non-GAAP earnings per diluted share, as discussed and reconciled below to the most comparable respective GAAP measures, may not be comparable to similarly named measures reported by other companies.

The Company presents EBITDA, which is calculated as net income attributable to the Company before depreciation and amortization, interest expense, net, and taxes on income before equity in net income of associated companies. The Company also presents adjusted EBITDA, which is calculated as EBITDA plus or minus certain items that are not considered indicative of future operating performance or not considered core to the Company's operations. In addition, the Company presents non-GAAP operating income, which is calculated as operating income plus or minus certain items that are not considered indicative of future operating performance or not considered core to the Company's operations. Adjusted EBITDA margin and non-GAAP operating margin are calculated as the percentage of adjusted EBITDA and non-GAAP operating income to consolidated net sales, respectively. The Company believes these non-GAAP measures provide transparent and useful information and are widely used by investors, analysts, and peers in our industry as well as by management in assessing the operating performance of the Company on a consistent basis.

Additionally, the Company presents non-GAAP net income and non-GAAP earnings per diluted share as additional performance measures. Non-GAAP net income is calculated as adjusted EBITDA, defined above, less depreciation and amortization, interest expense, net, and taxes on income before equity in net income of associated companies, in each case adjusted, as applicable, for any depreciation, amortization, interest or tax impacts resulting from the non-core items identified in the reconciliation of net income attributable to the Company to adjusted EBITDA. Non-GAAP earnings per diluted share is calculated as non-GAAP net income per diluted share as accounted for under the "two-class share method." The Company believes that non-GAAP net income and non-GAAP earnings per diluted share provide transparent and useful information and are widely used by investors, analysts, and peers in our industry as well as by management in assessing the operating performance of the Company on a consistent basis.

Certain of the prior period non-GAAP financial measures presented in the following tables have been adjusted to conform with current period presentation. The following tables reconcile the Company's non-GAAP financial measures (unaudited) to their most directly comparable GAAP (unaudited) financial measures (dollars in thousands unless otherwise noted, except per share amounts):

Non-GAAP Operating Income and Margin Reconciliations	**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2024	**2023**	**2024**	**2023**
Operating income	$ 58,449	$ 56,795	$ 113,975	$ 106,724
Restructuring and related charges, net (a)	320	1,043	2,177	5,015
Strategic planning expenses (credits) (b)	—	579	(109)	2,666
Customer insolvency costs (g)	—	—	1,522	—
Other charges (d)	1,046	344	1,492	649
Non-GAAP operating income	$ 59,815	$ 58,761	$ 119,057	$ 115,054
Non-GAAP operating margin (%) (l)	12.9 %	11.9 %	12.8 %	11.6 %

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Non-GAAP Net Income Reconciliations	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net income attributable to Quaker Chemical Corporation	$ 34,885	$ 29,346	$ 70,112	$ 58,880
Depreciation and amortization (j)	21,428	20,834	42,484	41,344
Interest expense, net	10,754	12,721	21,578	25,963
Taxes on income before equity in net income of associated companies (k)	15,778	13,830	28,286	23,363
EBITDA	82,845	76,731	162,460	149,550
Equity (income) loss in a captive insurance company (e)	(475)	430	(981)	8
Restructuring and related charges, net (a)	320	1,043	2,177	5,015
Strategic planning expenses (credits) (b)	—	579	(109)	2,666
Customer insolvency costs (g)	—	—	1,522	—
Facility remediation recoveries (c)	—	(187)	—	(1,014)
Product liability claim costs (h)	—	—	896	—
Currency conversion impacts of hyper-inflationary economies (f)	613	1,184	(291)	1,640
Other charges (d)	988	462	1,899	1,168
Adjusted EBITDA	$ 84,291	$ 80,242	$ 167,573	$ 159,033
Adjusted EBITDA margin (%) (l)	18.2 %	16.2 %	18.0 %	16.0 %
Adjusted EBITDA	$ 84,291	$ 80,242	$ 167,573	$ 159,033
Less: Depreciation and amortization (j)	21,428	20,834	42,484	41,344
Less: Interest expense, net	10,754	12,721	21,578	25,963
Less: Taxes on income before equity in net income of associated companies - adjusted (k)	13,877	11,913	27,606	22,960
Non-GAAP net income	$ 38,232	$ 34,774	$ 75,905	$ 68,766

Non-GAAP Earnings per Diluted Share Reconciliations	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
GAAP earnings per diluted share attributable to Quaker Chemical Corporation common shareholders	$ 1.94	$ 1.63	$ 3.89	$ 3.27
Equity (income) loss in a captive insurance company per diluted share (e)	(0.02)	0.02	(0.05)	0.00
Restructuring and related charges, net per diluted share (a)	0.01	0.04	0.09	0.21
Strategic planning expenses (credits) per diluted share (b)	—	0.03	—	0.13
Customer insolvency costs per diluted share (g)	—	—	0.06	—
Facility remediation recoveries per diluted share (c)	—	(0.01)	—	(0.05)
Product liability claim costs per diluted share (h)	—	—	0.04	—
Currency conversion impacts of hyper-inflationary economies per diluted share (f)	0.03	0.06	(0.02)	0.09
Other charges per diluted share (d)	0.04	0.02	0.08	0.04
Impact of certain discrete tax items per diluted share (i)	0.13	0.14	0.13	0.13
Non-GAAP earnings per diluted share (m)	$ 2.13	$ 1.93	$ 4.22	$ 3.82

(a) Restructuring and related charges, net represent the costs incurred by the Company associated with the Company's restructuring program. These costs are not indicative of the future operating performance of the Company. See Note 7 of Notes to Condensed Consolidated Financial Statements, which appears in Item 1 of this Report, for additional information.

(b) Strategic planning expenses (credits) include consultant and advisory costs (credits) incurred in connection with long-term strategic planning, as well as planning to further optimize the Company's footprint, processes and functions. These credits and costs recorded in SG&A are not indicative of the future operating performance of the Company.

(c) Facility remediation recoveries represent insurance recoveries of costs incurred for remediation and restoration of property damage to certain of the Company's facilities. These costs and recoveries recorded in Other income (expense), net, are non-recurring and are not indicative of the future operating performance of the Company. There were no such gains recognized for the three and six months ended June 30, 2024. See Note 10 of Notes to Condensed Consolidated Financial Statements, which appears in Item 1 of this Report.

(d) Other charges include executive transition costs, charges incurred by an inactive subsidiary of the Company as a result of the termination of restrictions on insurance settlement reserves, net gains recognized for the sale of certain facilities previously classified as held for sale, non-service components of the Company's pension and postretirement net periodic benefit income and expense, and certain legal, financial, and other advisory and consultant costs and indemnification asset related adjustments incurred in connection with the Company's recent acquisitions. See Notes 2, 9, and 10 of Notes to Condensed Consolidated Financial Statements, which appear in Item 1 of this Report.

(e) Equity (income) loss in a captive insurance company represents the after-tax income attributable to the Company's interest in Primex, Ltd. ("Primex"), a captive insurance company. The Company holds a 32% investment in and has significant influence over Primex, and therefore accounts for this interest under the equity method of accounting. The (income) loss attributable to Primex is not indicative of the future operating performance of the Company and is not considered core to the Company's operations.

(f) Currency conversion impacts of hyper-inflationary economies represents the foreign currency remeasurement impacts associated with the Company's affiliates in Argentina and Türkiye whose local economies are designated as hyper-inflationary under U.S. GAAP. These pre-tax foreign currency remeasurement impacts are not deductible for tax purposes for both the three and six months ended June 30, 2024 and 2023. The charges (credits) incurred relate to the immediate recognition of foreign currency remeasurement in the Condensed Consolidated Statements of Operations and are not indicative of the future operating performance of the Company. See Note 1 of Notes to Condensed Consolidated Financial Statements, which appears in Item 1 of this Report.

(g) Customer insolvency costs represent charges associated with a specific reserve for trade accounts receivable within the Company's EMEA reportable segment related to a specific customer that filed for bankruptcy protection. These expenses are not indicative of the future operating performance of the Company.

(h) Product liability claim represents expense related to the payments by the Company in connection with a product liability dispute with a customer during the six months ended June 30, 2024. See Note 10 of Notes to Condensed Consolidated Financial Statements, which appears in Item 1 of this Report.

(i) The impacts of certain discrete tax items include certain impacts of tax law changes, valuation allowance adjustments, uncertain tax positions and prior year true-ups, and the impact on certain intercompany asset transfers. The Company does not believe these items are core or indicative of future performance of the Company. See Note 11 of Notes to Condensed Consolidated Financial Statements, which appears in Item 1 of this Report.

(j) Depreciation and amortization for the three and six months ended June 30, 2024 and 2023 includes approximately $0.2 million and $0.5 million, respectively, of amortization expense recorded within equity in net income of associated companies in the Company's Condensed Consolidated Statements of Operations, which is attributable to the amortization of the fair value step up for the Company's 50% interest in a joint venture in Korea as a result of required purchase accounting adjustments.

(k) Taxes on income before equity in net income of associated companies – adjusted presents the impact of any current and deferred income tax expense (benefit), as applicable, of the reconciling items presented in the reconciliation of net income attributable to Quaker Chemical Corporation to adjusted EBITDA and was determined utilizing the applicable rates in the taxing jurisdictions in which the adjustments occurred, subject to deductibility.

(l) The Company calculates adjusted EBITDA margin and non-GAAP operating margin as the percentage of adjusted EBITDA and non-GAAP operating income to consolidated net sales.

(m) The Company calculates non-GAAP earnings per diluted share as non-GAAP net income attributable to the Company divided by the weighted average number of diluted shares outstanding using the "two-class share method."

Off-Balance Sheet Arrangements

The Company's off-balance sheet items outstanding as of June 30, 2024 include approximately $4 million of bank letters of credit and guarantees. The bank letters of credit and guarantees are not significant to the Company's liquidity or capital resources. See Note 14 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Report.

Operations

Consolidated Operations Review – Comparison of the Second Quarter of 2024 with the Second Quarter of 2023

Net sales were $463.6 million in the second quarter of 2024 compared to $495.4 million in the second quarter of 2023. The net sales decrease of $31.8 million, or 6%, year-over-year reflects a decrease in selling price and product mix of approximately 4%, a decline in sales volumes of approximately 1%, and an unfavorable impact from foreign currency translation of 1%. The decrease in selling price and product mix was primarily attributable to our index-based customer contracts. The decline in sales volumes was primarily attributable to a continuation of soft end market conditions across the Company's EMEA and Americas segments, partially offset by an increase in sales volumes in the Asia/Pacific segment, the IKV acquisition and new business wins in all segments.

Cost of goods sold ("COGS") was $287.8 million in the second quarter of 2024 compared to $317.8 million in the second quarter of 2023, a decrease of approximately $30.0 million, or 9%. The decrease in COGS reflects lower spend on the decline in current year sales volumes and a decline in the Company's global raw material costs.

Gross profit was $175.7 million in the second quarter of 2024 compared to $177.7 million in the second quarter of 2023, a decrease of $2.0 million, or 1%. The Company's reported gross margin in the second quarter of 2024 was 37.9% compared to 35.9% in the second quarter of 2023 primarily driven by a reduction in raw material costs.

SG&A expense was $116.9 million in the second quarter of 2024 compared to $119.9 million in the second quarter of 2023, a decrease of approximately $3.0 million, or 3%, driven by lower incentive compensation costs.

The Company incurred Restructuring and related charges of $0.3 million and $1.0 million during the second quarters of 2024 and 2023, respectively, related to reductions in headcount and site closures under the Company's restructuring program. See the Non-GAAP Measures section of this Item above for additional information.

Operating income in the second quarter of 2024 was $58.4 million compared to $56.8 million in the second quarter of 2023. Excluding non-recurring and non-core expenses that are not indicative of the future operating performance of the Company described in the Non-GAAP Measures section of this Item, above, the Company's non-GAAP operating income increased to $59.8 million in the second quarter of 2024 as compared to $58.8 million in the second quarter of 2023 primarily due to lower SG&A expense, as described above.

The Company had Other income, net of $0.4 million in the second quarter of 2024 as compared to Other expense, net of $3.6 million in the second quarter of 2023. Both the second quarter of 2024 and 2023 included foreign exchange transaction losses, which were higher in the prior year. The second quarter of 2024 also included a gain on disposal of property, plant, equipment and other assets of $0.5 million from the sale of certain facilities previously classified as held for sale. Additionally, the Company had Other income from non-income tax credits of $0.9 million in both the second quarter of 2024 and 2023. See the Non-GAAP Measures section of this Item, above.

Interest expense, net, was $10.8 million in the second quarter of 2024 compared to $12.7 million in the second quarter of 2023, a decrease of approximately $1.9 million, primarily as a result of lower outstanding borrowings.

The Company's effective tax rates for the second quarters of 2024 and 2023 were 32.8% and 34.2%, respectively. The Company's effective tax rate for the second quarter of 2024 was largely driven by the mix of pre-tax earnings, certain one-time charges related to an intercompany intangible asset transfer, and withholding taxes. Comparatively, the effective tax rate for the second quarter of 2023 was largely driven by the mix of pre-tax earnings, changes to the valuation allowance for and the usage of certain foreign tax credits, and withholding taxes. Excluding the impact of non-core items in each quarter, described in the Non-GAAP Measures section of this Item above, the Company estimates that its effective tax rates for the second quarters of 2024 and 2023 would have been approximately 28% and 27%, respectively. The Company may experience continued volatility in its effective tax rates due to several factors, including the timing of tax audits, the expiration of applicable statutes of limitations as they relate to uncertain tax positions, the unpredictability of timing and amount of certain incentives in various tax jurisdictions, and the timing and amount of certain share-based compensation-related tax benefits, among other factors. In addition, the foreign tax credit valuation allowance, or absence thereof, is based on a number of factors, including forecasted mix of earnings, which may vary.

Equity in net income of associated companies was $2.6 million in the second quarter of 2024 compared to $2.8 million in the second quarter of 2023, a decrease of $0.2 million, primarily due to lower current year income from the Company's 50% interest in a joint venture in Korea.

Net income attributable to noncontrolling interest was less than $0.1 million in both the second quarter of 2024 and 2023.

Consolidated Operations Review – Comparison of the First Six Months of 2024 with the First Six Months of 2023

Net sales were $933.3 million in the first six months of 2024 compared to $995.6 million in the first six months of 2023. The net sales decrease of $62.3 million, or 6%, year-over-year reflects decreases in selling price and product mix of approximately 5% and a decline in sales volumes of approximately 1%. The decrease in selling price and product mix was primarily attributable to our index-based customer contracts. The decline in sales volumes was primarily attributable to a continuation of soft end market conditions across the Company's EMEA and Americas segments, partially offset by an increase in sales volumes in the Asia/Pacific segment, the IKV acquisition and new business wins in all segments, as mentioned above.

COGS were $576.0 million in the first six months of 2024 compared to $644.5 million in the first six months of 2023. The decrease in COGS of approximately $68.5 million, or 11%, reflects lower spend on the decline in current year sales volumes and a decline in the Company's global raw material costs.

Gross profit was $357.3 million in the first six months of 2024 compared to $351.1 million in the first six months of 2023, an increase of approximately $6.2 million, or 2%. The Company's reported gross margin in the first six months of 2024 was 38.3% compared to 35.3% in the first six months of 2023. The Company's current year-to-date improvement in gross margin was driven primarily by lower raw material costs compared to the prior year.

SG&A was $241.1 million in the first six months of 2024 compared to $239.4 million in to the first six months of 2023, an increase of $1.7 million, or 1%, driven by higher levels of incentive compensation on improved Company performance, partially offset by lower SG&A due to foreign currency translation compared to the prior year.

The Company incurred Restructuring and related charges of $2.2 million and $5.0 million during the first six months of 2024 and 2023, respectively, related to reductions in headcount and site closures under the Company's restructuring program. See the Non-GAAP Measures section of this Item, above.

Operating income in the first six months of 2024 was $114.0 million compared to $106.7 million in the first six months of 2023. Excluding non-recurring and non-core expenses that are not indicative of the future operating performance of the Company described in the Non-GAAP Measures section of this Item, above, the Company's current year non-GAAP operating income increased to $119.1 million for the first six months of 2024 compared to $115.1 million in the prior year's first six months primarily due to higher gross profit, partially offset by higher SG&A, described above.

The Company had Other income, net of $1.5 million in the first six months of 2024 compared to Other expense, net of $5.8 million in the first six months of 2023, as the Company had lower foreign exchange losses of $1.2 million in the current year compared to losses of $7.6 million in the prior year period. The first six months of 2024 results also included $3.0 million of non-income tax refunds and other related credits partially offset by a $0.9 million expense associated with a payment related to a product liability dispute with one of the Company's customers, whereas the prior year's first six months of 2023 included $1.0 million of insurance reimbursements related to remediation and restoration of property damage to certain of the Company's facilities. See the Non-GAAP Measures section of this Item, above.

Interest expense, net, decreased $4.4 million in the first six months of 2024 compared to the first six months of 2023 as a result of lower outstanding borrowings.

The Company's effective tax rates for the first six months of 2024 and 2023 were 30.1% and 31.2%, respectively. The Company's effective tax rate for the six months ended June 30, 2024 was primarily impacted by the mix of pre-tax earnings, certain one-time charges related to an intercompany intangible asset transfer, and withholding taxes, offset by changes in uncertain tax positions. Comparatively, the effective tax rate for the six months ended June 30, 2023 was largely driven by the mix of pre-tax earnings, changes to the valuation allowance for and the usage of certain foreign tax credits, and withholding taxes, partially offset with changes in uncertain tax positions and favorable return to provision adjustments. Excluding the impact of non-core items in each period, described in the Non-GAAP Measures section of this Item, above, the Company estimates that its effective tax rates for the first six months of 2024 and 2023 would have been approximately 28% and 27%, respectively. The Company expects continued volatility in its effective tax rates due to several factors, including the timing and scope of tax audits and the expiration of applicable statutes of limitations as they relate to uncertain tax positions, the unpredictability of the timing and amount of certain incentives in various tax jurisdictions, the treatment of certain acquisition-related costs and the timing and amount of certain share-based compensation-related tax benefits, among other factors. In addition, the foreign tax credit valuation allowance, or absence thereof, is based on a number of factors, including forecasted mix of earnings, which may vary.

Equity in net income of associated companies decreased $2.8 million in the first six months of 2024 compared to the first six months of 2023, primarily due to lower current year income from the Company's 50% interest in a joint venture in Korea.

Net income attributable to noncontrolling interest was less than $0.1 million in both the first six months of 2024 and 2023.

Reportable Segments Review - Comparison of the Second Quarter of 2024 with the Second Quarter of 2023

The Company's reportable segments reflect the structure of the Company's internal organization, the method by which the Company's resources are allocated and the manner by which the chief operating decision maker of the Company assesses performance. The Company has three reportable segments: (i) Americas; (ii) EMEA; and (iii) Asia/Pacific.

Segment operating earnings for the Company's reportable segments are comprised of net sales less COGS and SG&A directly related to the respective segment's net sales. Operating expenses not directly attributable to the segments, such as certain corporate and administrative costs and Restructuring and related charges, net, are excluded from segment results. Other items not specifically identified with the Company's reportable segments include Interest expense, net, and Other income (expense), net.

Americas

Americas represented approximately 48% of the Company's consolidated net sales in the second quarter of 2024. This segment's net sales were $223.5 million, a decrease of $29.7 million, or 12%, compared to the second quarter of 2023. This was driven by a decrease in sales volumes of approximately 5%, lower selling price and product mix of approximately 6%, and an unfavorable impact from foreign currency translation of 1%. The current quarter decline in sales volumes compared to the prior year was primarily driven by softer market conditions and customer outages, partially offset by new business wins. The decrease in selling price and product mix was primarily attributable to our index-based customer contracts. The unfavorable foreign exchange impact was primarily due to the strengthening of the U.S. dollar against the Mexican peso. Segment operating earnings were $64.1 million, a decrease of $4.9 million, or 7%, compared to the second quarter of 2023, primarily driven by lower sales partially offset by improved segment operating margins, driven primarily by lower raw material costs and lower SG&A expense.

EMEA

EMEA represented approximately 30% of the Company's consolidated net sales in the second quarter of 2024. This segment's net sales were $138.0 million, a decrease of $5.5 million, or 4%, compared to the second quarter of 2023. This was driven by lower selling price and product mix of approximately 3% and an unfavorable impact from foreign currency translation of 1%. Sales volumes were flat compared to the prior year quarter. The decrease in selling price and product mix was primarily attributable to our index-based customer contracts. The stable sales volumes reflect new business wins and the IKV acquisition, partially offset by softer market conditions compared to the prior year. The unfavorable foreign currency translation impact was primarily due to the strengthening of the U.S. dollar against the Euro. Segment operating earnings were $26.7 million, an increase of $1.1 million, or 4%, compared to the second quarter of 2023, as higher segment operating margins driven by lower raw material costs and lower SG&A expenses more than offset lower sales.

Asia/Pacific

Asia/Pacific represented approximately 22% of the Company's consolidated net sales in the second quarter of 2024. This segment's net sales were $102.0 million, an increase of $3.4 million, or 3%, compared to the second quarter of 2023. This was driven by higher sales volumes of 7%, partially offset by a decrease in selling price and product mix of 1% and an unfavorable impact from foreign currency translation of 3%. The increase in sales volumes was primarily driven by an increase in end market activity compared to the prior year period and new business wins. The decrease in selling price and product mix was primarily attributable to our index-based customer contracts. The unfavorable foreign exchange impact was primarily due to the strengthening of the U.S. dollar against the Chinese renminbi. Segment operating earnings were $31.0 million, an increase of $3.0 million, or 11%, compared to the second quarter of 2023 primarily driven by an increase in net sales and an improvement in segment operating margins.

Reportable Segments Review - Comparison of the First Six Months of 2024 with the First Six Months of 2023

Americas

Americas represented approximately 49% of the Company's consolidated net sales in the first six months of 2024. This segment's net sales were $453.3 million, a decrease of $51.4 million, or 10%, compared to the first six months of 2023. This was driven by a decrease in selling price and product mix of 6% and a decrease in sales volumes of 5%, partially offset by a favorable impact of foreign currency translation of 1%. The decrease in selling price and product mix was primarily attributable to the year-over-year impact our index-based customer contracts. The decline in sales volumes compared to the prior year was primarily driven by softer market conditions and customer order patterns and outages, partially offset by new business wins, as mentioned above. The favorable foreign exchange impact was primarily due to the weakening of the U.S. dollar against the Mexican peso during the first six months of 2024 compared to 2023. This segment's operating earnings were $130.9 million, a decrease of $4.2 million, or 3%, compared to the first six months of 2023 primarily driven by lower net sales partially offset by an improvement in segment operating margins.

EMEA

EMEA represented approximately 29% of the Company's consolidated net sales in the first six months of 2024. This segment's net sales were $276.4 million, a decrease of $19.6 million, or 7%, compared to the first six months of 2023. This was a result of a decrease in selling price and product mix of 5% and a decrease in sales volumes of 2%. The decrease in selling price and product mix was primarily attributable to the year-over-year impact of our index-based customer contracts. The decline in sales volumes was primarily driven by softer market conditions, partially offset by new business wins and the IKV acquisition. This segment's operating earnings were $56.2 million, an increase of $3.1 million, or 6%, compared to the first six months of 2023 primarily driven by an improvement in segment operating margins.

Asia/Pacific

Asia/Pacific represented approximately 22% of the Company's consolidated net sales in the first six months of 2024. This segment's net sales were $203.6 million, an increase of $8.7 million, or 4%, compared to the first six months of 2023. This was driven by higher sales volumes of 11%, partially offset by an unfavorable impact of foreign currency translation of 4% and lower selling price and product mix of 3%. The higher sales volumes were primarily driven by a broad-based increase in end market activity compared to the prior year period and new business wins. The unfavorable foreign exchange impact was primarily due to the strengthening of the U.S. dollar against the Chinese renminbi. The decrease in selling price and product mix was primarily attributable to the year-over-year impact of our index-based customer contracts, as mentioned above. This segment's operating earnings were $61.4 million, an increase of $5.7 million, or 10%, compared to the first six months of 2023. This was primarily driven by an improvement in segment operating margins coupled with the increase in net sales.

Factors That May Affect Our Future Results

Certain information included in this Report and other materials filed or to be filed by us with the SEC, as well as information included in oral statements or other written statements made or to be made by us, contain or may contain forward-looking statements that fall under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Securities Act of 1933, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts and can generally be identified by words such as "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "outlook," "target," "possible," "potential," "plan" or similar expressions, but these terms are not the exclusive means of identifying such statements. We have based these forward-looking statements on assumptions, projections and expectations about future events that we believe are reasonable based on currently available information, including statements regarding the potential effects of the conflicts in Ukraine and the Middle East, inflation, and global supply chain constraints on the Company's business, results of operations, and financial condition; our expectation that we will maintain sufficient liquidity and remain in compliance with the terms of the Company's credit facility; expectations about future demand and raw material costs; and statements regarding the impact of increased raw material costs and pricing initiatives.

These forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, intentions, financial condition, results of operations, future performance, and business, which may differ materially from expectations, estimates and projections of many factors, including, but not limited to:

- the timing and extent of the projected impacts on our business of acts of war or terrorism, including the conflicts in Ukraine and the Middle East, and actions taken by various governments and governmental organizations in response;
- inflationary pressures, cost increases and the impacts of constraints and disruptions in the global supply chain;
- the potential timing, impacts, benefits and other uncertainties of acquisitions and divestitures, including our ability to realize synergies, integrate acquisitions or separate divested assets and businesses;
- the potential for changes in global and regional economic conditions and for a variety of macroeconomic events, including the possibility of global or regional slowdowns or recessions, a global pandemic, interest rate changes, inflation, deflation or stagflation and its impact on our business, raw materials purchases and/or profitability of our business impact the value of our assets; and
- our future results and plans including our sustainability goals and enterprise strategy

Such statements include information relating to current and future business activities, operational matters, capital spending, and financing sources. From time to time, forward-looking statements are also included in the Company's other periodic reports on Forms 10-K, 10-Q and 8-K, press releases, and other materials released to, or statements made to, the public.

Any or all of the forward-looking statements in this Report, in the Company's 2023 Form 10-K and in any other public statements we make may turn out to be wrong. This can occur as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties. Many factors discussed in this Report will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from our forward-looking statements.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in the Company's subsequent reports on Forms 10-K, 10-Q, 8-K and other related filings should be consulted. A major risk is that demand for the Company's products and services is largely derived from the demand for our customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production slowdowns and shutdowns.

Other major risks and uncertainties include, but are not limited to, inflationary pressures, including the potential for continued significant increases in raw material costs; supply chain disruptions; customer financial instability; high interest rates and the possibility of economic recession; economic and political disruptions particularly in light of numerous elections globally and the possibility of regime changes and including the impacts of the military conflicts between Russia and Ukraine and between Israel and Hamas; legislative and regulatory developments including changes to existing laws and regulations, or the way they are interpreted, applied or enforced; tariffs, trade restrictions and the economic and other sanctions imposed by other nations on Russia and Belarus and/or other government organizations; suspensions of activities in Russia by many multinational companies and the potential expansion of military activity; foreign currency fluctuations; significant changes in applicable tax rates and regulations; future terrorist attacks and other acts of violence; the impacts of consolidation in our industry, including loss or consolidation of a major customer; and the potential occurrence of cyber-security breaches, cyber-security attacks and other technology outages and security incidents.

Furthermore, the Company is subject to the same business cycles as those experienced by our customers in the steel, automobile, aircraft, industrial equipment, aluminum, and durable goods industries. Other factors could also adversely affect us, including those related to acquisitions and the integration of acquired businesses.

Therefore, we caution you not to place undue reliance on our forward-looking statements. For more information regarding these risks and uncertainties as well as certain additional risks that we face, refer to the Risk Factors section, which appears in Item 1A in our 2023 Form 10-K and in our quarterly and other reports filed from time to time with the SEC. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Quaker Houghton on the Internet

Financial results, news and other information about Quaker Houghton can be accessed from the Company's website at https://www.quakerhoughton.com. This site includes important information on the Company's locations, products and services, financial reports, news releases and career opportunities. The Company's periodic and current reports on Forms 10-K, 10-Q, 8-K, and other filings, including exhibits and supplemental schedules filed therewith, and amendments to those reports, filed with the SEC are available on the Company's website, free of charge, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Information contained on, or that may be accessed through, the Company's website is not incorporated by reference in this Report and, accordingly, you should not consider that information part of this Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We have evaluated the information required under this Item that was disclosed in Part II, Item 7A, of our Annual Report on Form 10-K for the year ended December 31, 2023, and we believe there has been no material change to that information.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures. As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our management, including our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this Report. Based on that evaluation, our principal executive officer and our principal financial officer have concluded that, as of June 30, 2024, the end of the period covered by this Report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective.

Changes in internal control over financial reporting. As required by Rule 13a-15(d) under the Exchange Act, our management, including our principal executive officer and principal financial officer, has evaluated our internal control over financial reporting to determine whether any changes to our internal control over financial reporting occurred during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Based on that evaluation, there were no changes that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter ended June 30, 2024.

PART II.

OTHER INFORMATION

Items 3 and 4 of Part II are inapplicable and have been omitted.

Item 1. Legal Proceedings.

Incorporated by reference is the information in Note 18 of Notes to the Condensed Consolidated Financial Statements in Part I, Item 1, of this Report.

Item 1A. Risk Factors.

The Company's business, financial condition, results of operations and cash flows are subject to various risks that could cause actual results to vary materially from recent results or from anticipated future results. In addition to the other information set forth in this Report, you should carefully consider the risk factors previously disclosed in Part I, Item 1A of the Company's 2023 Form 10-K. There have been no material changes to the risk factors described therein.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities.

The following table sets forth information concerning shares of the Company's common stock acquired by the Company during the period covered by this Report:

Period	(a) Total Number of Shares Purchased (1)(2)	(b) Average Price Paid Per Share (1)(2)	(c) Total Number of Shares Purchased as part of Publicly Announced Plans or Programs (2)	(d) Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (2)
April 1 - April 30	—	$ —	—	$ 150,000,000
May 1 - May 31	139	$ 184.92	—	$ 150,000,000
June 1 - June 30	50,745	$ 170.47	49,000	$ 141,646,305
Total	50,884	$ 170.50	49,000	$ 141,646,305

(1) 1,884 of these shares were acquired from employees related to the surrender of Quaker Chemical Corporation shares in payment of the vesting of restricted stock awards or units. The price paid for shares acquired from employees pursuant to employee benefit and share-based compensation plans is based on the closing price of the Company's common stock on the date of vesting as specified by the plan pursuant to which the applicable option, restricted stock award, or restricted stock unit was granted.

(2) On February 28, 2024, the Board of Directors of the Company approved, and the Company announced, a share repurchase program, pursuant to which the Company is authorized to repurchase up to $150,000,000 of Quaker Chemical Corporation common stock (the "2024 Share Repurchase Program"), and it has no expiration date. The number of shares to be repurchased and the timing of such transactions will depend on a variety of factors, including market conditions.

Limitation on the Payment of Dividends

The Credit Facility has certain limitations on the payment of dividends and other so-called restricted payment covenants. See Note 14 of Notes to Condensed Consolidated Financial Statements, in Part I, Item 1, of this Report.

Item 5. Other Information.

Insider Trading Arrangements and Policies

No director or officer (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of the Company adopted or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K) during the period covered by this Report except as follows.

On May 31, 2024, Shane Hostetter, former Executive Vice President, Chief Financial Officer, entered into a Rule 10b5-1 written trading arrangement intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. Mr. Hostetter's trading arrangement covers the sale of up to 1,697 shares of Company common stock from August 29, 2024 until September 28, 2024.

Item 6. Exhibits.

(a) Exhibits

3.1	–	Amended and Restated Articles of Incorporation (as amended through July 24, 2019). Incorporated by reference to Exhibit 3.1 as filed by the Registrant with its quarterly report on Form 10-Q filed on August 1, 2019.
3.2	–	Amended and Restated By-laws (effective December 19, 2022). Incorporated by reference to Exhibit 3.1 as filed by the Registrant within its current report on Form 8-K on December 20, 2022.
10.1	–	Employment Agreement by and between the Registrant and Thomas Coler dated May 6, 2024, effective June 10, 2024.*†
10.2	–	Form of Change of Control Agreement by and between the Registrant and certain executive officers (including Thomas Coler).*†
10.3	–	Quaker Chemical Corporation 2024 Long-Term Incentive Plan. Incorporated by reference to Exhibit 10.1 as filed by the Registrant within its current report on Form 8-K on May 9, 2024.†
10.4	–	Form of Restricted Stock Unit Award Agreement for executive officers and other employees under Registrant's 2024 Long-Term Performance Incentive Plan.*†
10.5	–	Form of Restricted Stock Unit Award Agreement for executive officers and other employees under Registrant's 2024 Long-Term Performance Incentive Plan.*†
10.6	–	Form of Performance Stock Unit Award Agreement for executive officers and other employees under Registrant's 2024 Long-Term Performance Incentive Plan.*†^
10.7	–	Form of Performance Stock Unit Award Agreement for executive officers and other employees under Registrant's 2016 Long-Term Performance Incentive Plan.*†^
31.1	–	Certification of Chief Executive Officer of the Company pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.*
31.2	–	Certification of Chief Financial Officer of the Company pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.*
32.1	–	Certification of Chief Executive Officer of the Company Pursuant to 18 U.S. C. Section 1350.**
32.2	–	Certification of Chief Financial Officer of the Company Pursuant to 18 U.S. C. Section 1350.**
101.INS	–	Inline XBRL Instance Document*
101.SCH	–	Inline XBRL Taxonomy Schema Document*
101.CAL	–	Inline XBRL Taxonomy Calculation Linkbase Document*
101.DEF	–	Inline XBRL Taxonomy Definition Linkbase Document*
101.LAB	–	Inline XBRL Taxonomy Label Linkbase Document*
101.PRE	–	Inline XBRL Taxonomy Presentation Linkbase Document*
104	–	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.INS)*

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan.

^ Certain portions of the exhibits that are not material and are of the type Quaker Houghton treats as confidential have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. Copies of the unredacted exhibits will be furnished to the SEC upon request

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

QUAKER CHEMICAL CORPORATION

(Registrant)

/s/ Thomas Coler

Date: August 5, 2024

Thomas Coler, Executive Vice President, Chief Financial Officer (officer duly authorized on behalf of, and principal financial officer of, the Registrant)

EXHIBIT 10.1

EMPLOYMENT AGREEMENT

May 6, 2024

NAME: **Tom Coler**

The parties to this Employment Agreement ("Agreement") are Tom Coler ("You" or the "Executive") and Quaker Chemical Corporation, d/b/a Quaker Houghton, a Pennsylvania corporation ("Quaker Houghton" or the "Company").

You are hereby appointed as the Company's EVP and Chief Financial Officer ("CFO") effective June 10, 2024.

NOW THEREFORE in consideration of the mutual promises and covenants herein contained and intending to be legally bound hereby the parties hereto agree as follows:

1. Duties

Quaker Houghton agrees to employ you and you agree to serve as Quaker Houghton's CFO. You shall perform all duties consistent with such position as well as any other duties that are assigned to you from time to time by Quaker Houghton's CEO. You agree that during the term of your employment with Quaker Houghton to devote your knowledge, skill, and working time solely and exclusively to the business and interests of Quaker Houghton and its subsidiaries.

2. Compensation

Your base salary will be determined from time to time by the Quaker Houghton Board of Directors. In addition, you will be entitled to participate, to the extent eligible, in any of Quaker Houghton's annual and long-term incentive plans, retirement savings plan (401k plan), and will be entitled to vacations, paid holidays, and medical, dental, and other benefits as are made available by Quaker Houghton to its executives and full-time U.S. employees. During your employment with Quaker Houghton, your salary will not be reduced by Quaker Houghton without your prior written consent. Your initial compensation and benefits are outlined on Addendum 1, which is attached hereto and made a part hereof.

3. Term of Employment.

Your employment with Quaker may be terminated on ninety (90) days' written notice by either party, with or without cause or reason whatsoever. Within ninety (90) days after termination of your employment, you will be given an accounting of all monies due you. Notwithstanding the foregoing, Quaker has the right to terminate your employment upon less than ninety (90) days' notice for Cause (as defined below).

4. Covenant Not to Disclose

a. As CFO, you acknowledge that the identity of Quaker Houghton's (and any of Quaker Houghton's affiliates') customers, the requirements of such customers, pricing and payment terms quoted and charged to such customers, the identity of Quaker Houghton's suppliers and terms of supply (and the suppliers and related terms of supply of any of Quaker Houghton's customers for which chemical and other management services are being provided), information concerning the method and conduct of Quaker Houghton's (and any affiliate's) business such as formulae, formulation information, application technology, manufacturing information, marketing information, strategic and marketing plans, financial information, financial statements (audited and unaudited), budgets, corporate practices and procedures, research and development efforts, and laboratory test methods and all of Quaker Houghton's (and its affiliates') manuals, documents, notes, letters, records, and computer programs are Quaker Houghton's confidential information ("Confidential Information") and are Quaker Houghton's (and/or any of its affiliates', as the case may be) sole and exclusive property. You agree that at no time during or following your employment with Quaker Houghton will you appropriate for your own use, divulge, or pass on, directly or through any other individual or entity or to any third party, any Quaker Houghton Confidential Information. Upon termination of your employment with Quaker Houghton and prior to final payment of all monies due to you under Section 2 or at any other time upon Quaker Houghton's request, you agree to surrender immediately to Quaker Houghton all materials in your possession or control which include or contain any Quaker Houghton Confidential Information.

b. You acknowledge that, by this Section 4(b), you have been notified in accordance with the Defend Trade Secrets Act that, notwithstanding the foregoing:

(i) You will not be held criminally or civilly liable under any federal or state trade secret law or this Agreement for the disclosure of Confidential Information that: (A) you make (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to your attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) you make in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

(ii) If you file a lawsuit for retaliation by Quaker Houghton for reporting a suspected violation of law, you may disclose Confidential Information to your attorney and use the Confidential Information in the court proceeding if you: (A) file any document containing Confidential Information under seal and (B) do not disclose Confidential Information, except pursuant to court order.

c. Additionally, Quaker Houghton confirms that nothing in this Agreement is intended to or shall prevent, impede or interfere with your right, without prior notice to Quaker Houghton, to provide information to the government, participate in any government investigations, file a court or administrative complaint, testify in proceedings regarding Quaker Houghton's past or future conduct, or engage in any future activities protected under any statute administered by any government agency.

5. <u>Covenant Not to Compete</u>

In consideration of your position of CFO for Quaker Houghton and the training and Confidential Information you are to receive from Quaker Houghton, you agree that during your employment with Quaker Houghton and for a period of one (1) year thereafter, regardless of the reason for your termination, you will not:

a. directly or indirectly, together or separately or with any third party, whether as an employee, individual proprietor, partner, stockholder, officer, director, or investor, or in a joint venture or any other capacity whatsoever, actively engage in business or assist anyone or any firm in business as a manufacturer, seller, or distributor of specialty chemical products which are the same, like, similar to, or which compete with Quaker Houghton’s (or any of its affiliates’) products or services; and

b. directly or indirectly recruit, solicit, or encourage any Quaker Houghton (or any of its affiliates’) employee or otherwise induce such employee to leave Quaker Houghton’s (or any of its affiliates’) employ, or to become an employee or otherwise be associated with you or any firm, corporation, business, or other entity with which you are or may become associated; and

c. solicit or induce any of Quaker Houghton's suppliers of products and/or services (or a supplier of products and/or services of a customer who is being provided or solicited for the provision of chemical management or other services by Quaker Houghton) to terminate or alter its contractual relationship with Quaker Houghton (and/or any such customer).

The parties consider these restrictions reasonable, including the period of time during which the restrictions are effective. However, if any restriction or the period of time specified should be found to be unreasonable in any court proceeding, then such restriction shall be modified or the period of time shall be shortened as is found to be reasonable so that the foregoing covenant not to compete may be enforced. You agree that in the event of a breach or threatened breach by you of the provisions of the restrictive covenants contained in Section 4 or in this Section 5, Quaker Houghton will suffer irreparable harm, and monetary damages may not be an adequate remedy. Therefore, if any breach occurs, or is threatened, in addition to all other remedies available to Quaker Houghton, at law or in equity, Quaker Houghton shall be entitled as a matter of right to specific performance of the covenants contained herein by way of temporary or permanent injunctive relief. In the event of any breach of the restrictive covenant contained in this Section 5, the term of the restrictive covenant shall be extended by a period of time equal to that period beginning on the date such violation commenced and ending when the activities constituting such violation cease.

6. <u>Contractual Restrictions</u>

You represent and warrant to Quaker Houghton that: (a) there are no restrictions, agreements, or understandings to which you are a party that would prevent or make unlawful your employment with Quaker Houghton and (b) your employment by Quaker Houghton shall not constitute a breach of any contract, agreement, or understanding, oral or written, to which you are a party or by which you are bound. You further represent that you will not use any trade secret, proprietary or otherwise confidential information belonging to a prior employer or other third party in connection with your employment with Quaker Houghton.

7. Inventions

All improvements, modifications, formulations, processes, discoveries or inventions ("Inventions"), whether or not patentable, which were originated, conceived or developed by you solely or jointly with others (a) during your working hours or at Quaker Houghton’s expense or at Quaker Houghton's premises or at a customer’s premises or (b) during your employment with Quaker Houghton and additionally for a period of one year thereafter, and which relate to (i) Quaker Houghton’s business or (ii) any research, products, processes, devices, or machines under actual or anticipated development or investigation by Quaker Houghton at the earlier of (i) that time or (ii) as the date of termination of employment, shall be Quaker Houghton’s sole property. You shall promptly disclose to Quaker Houghton all Inventions that you conceive or become aware of at any time during your employment with Quaker Houghton and shall keep complete, accurate, and authentic notes, data, and records of all Inventions and of all work done by you solely or jointly with others, in the manner directed by Quaker Houghton. You hereby transfer and assign to Quaker Houghton all of your right, title, and interest in and to any and all Inventions which may be conceived or developed by you solely or jointly with others during your employment with Quaker Houghton. You shall assist Quaker Houghton in applying, obtaining, and enforcing any United States Letters Patent and Foreign Letters Patent on any such Inventions and to take such other actions as may be necessary or desirable to protect Quaker Houghton's interests therein. Upon request, you shall execute any and all applications, assignments, or other documents that Quaker Houghton deems necessary and desirable for such purposes. You have attached hereto a list of unpatented inventions that you have made or conceived prior to your employment with Quaker Houghton, and it is agreed that those inventions shall be excluded from the terms of this Agreement.

8. Termination.

(a) Either party may terminate this Agreement per the terms of Section 3 hereof and Quaker Houghton, in its sole discretion, may terminate your employment at any time for Cause (as defined herein). If you incur a Separation from Service (as defined below) by decision and action of Quaker Houghton for any reason other than Cause, death, or Disability (as defined below), Quaker Houghton agrees to:

1. Provide you with reasonable outplacement assistance, either by providing the services in-kind, or by reimbursing reasonable expenses actually incurred by you in connection with your Separation from Service. The outplacement services must be provided during the one-year period following your Separation from Service. If any expenses are to be reimbursed, you must request the reimbursement within eighteen months of your Separation from Service and reimbursement will be made within 30 days of the receipt of your request; and

2. Pay you twelve months’ severance in bi-weekly installments commencing on the Payment Date (as defined below) and continuing on Quaker Houghton's normal payroll dates thereafter, each of which is equal to the total of your bi-weekly base salary at the time of your Separation from Service, provided you sign a Release within 45 days of the later of the date you receive the Release or your Separation from Service. Continuation of all medical and dental coverage’s will also be available for 18 months at a level equal to the coverage provided before your Separation from Service.

(b) If the Executive dies during the Term of Employment, the Company shall not thereafter be obligated to make any further payments under this Agreement except for amounts accrued as of the date of the Executive's death, and except that the Company shall pay a single-sum cash death benefit to the Executive's Beneficiary equal to 200% of the annual rate of the Executive's base salary as in effect on the day before the Executive's death or be entitled to the death benefit (as a multiple of base salary) to which any other executive officer would be entitled. To that end, the Company currently has a program in which all executive officers in the Company's Executive Leadership Team participate, which entitle 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. "Beneficiary" shall mean the person designated by the Executive to receive benefits under this Agreement in a writing filed by the Executive with the Company's human resources department before the Executive's death or, if the Executive fails to designate a beneficiary or the designated beneficiary predeceases the Executive, the Executive's Beneficiary shall be his surviving spouse or, if the Executive has no surviving spouse, his estate.

(c) Disability of Executive. If the Executive is unable to perform his duties hereunder by reason of disability as defined in the Company's Long-Term Disability Plan ("Disability"), then the Board shall have the right to terminate the Executive's employment upon 30 days prior written notice to the Executive at any time during the continuation of such Disability. In the event the Executive is terminated pursuant to this Section 8(c), the Company shall not thereafter be obligated to make any further payments under this Agreement except for amounts accrued as of the date of such termination, and except that the Executive shall receive supplemental disability payments. Such supplemental disability payments shall be paid to the Executive after the Executive's Separation from Service at the same time that disability payments are due to be paid to the Executive under the Company's Long-Term Disability Plan and each such payment shall be equal to the excess of (a) the amount that would be payable under the Company's Long-Term Disability Plan (disregarding any withholding) if the Executive elected a benefit of 50% of applicable pay and such plan did not limit the dollar amount of periodic payments thereunder, over (b) the amount that would be payable under the Company's Long-Term Disability Plan (disregarding any withholding) if the Executive elected a benefit of 50% of applicable pay. The "Company's Long-Term Disability Plan" shall mean the long-term disability plan maintained by the Company for employees generally; provided, however, that if the Company does not maintain such a long-term disability plan at the time of the Executive's termination under this Section 8(c), or terminates such plan after the Executive's termination of employment but before all disability payments have been paid to the Executive under the terms of such plan as in effect prior to its termination, (x) the "Company's Long-Term Disability Plan" shall mean the long-term disability plan most recently maintained by the Company for employees generally, and (y) the amount determined under subsection (b) shall equal zero dollars ($0). Such supplemental disability payments shall be payable from the Company's general assets or, if the Company so elects, from a supplemental disability policy purchased by the Company.

"Separation from Service" means your separation from service with Quaker Houghton and its affiliates within the meaning of Treas. Reg. §1.409A-1(h) or any successor thereto.

"Cause" means your employment with Quaker Houghton has been terminated by reason of (i) your willful and material breach of this Agreement (after having received notice thereof and a reasonable opportunity to cure or correct) or the Company's policies, (ii) dishonesty, fraud, willful malfeasance, gross negligence, or other gross misconduct, in each case relating to the performance of your duties hereunder which is materially injurious to Quaker Houghton, or (iii) conviction of or plea of guilty or nolo contendere to a felony.

"Payment Date" means (x) the 60th day after your Separation from Service or (y) if you are a specified employee (as defined in Treas. Reg. §1.409A-1(i)) as of the date of your Separation from Service, and the severance described in subsection (b) is deferred compensation subject to section 409A of the Code, the first business day of the seventh month following the month in which your Separation from Service occurs. If the Payment Date is described in clause (y), the amount paid on the Payment Date shall include all monthly installments that would have been paid earlier had clause (y) not been applicable, plus interest at the Wall Street Journal Prime Rate published in the Wall Street Journal on the date of your Separation from Service (or the previous business day if such day is not a business day), for the period from the date payment would have been made had clause (y) not been applicable through the date payment is made.

"Release" means a release (in a form satisfactory to Quaker Houghton) of any and all claims against Quaker Houghton and all related parties with respect to all matters arising out of your employment with Quaker Houghton, or the termination thereof (other than for claims for any entitlements under the terms of this Agreement or any plans or programs of Quaker Houghton under which you have accrued a benefit) that Quaker Houghton provides to you no later than ten days after your Separation from Service. If a release is not provided to you within this time period, the severance shall be paid even if you do not sign a release.

9. Indemnification

Quaker Houghton shall defend you and hold you harmless to the fullest extent permitted by applicable law in connection with any claim, action, suit, investigation or proceeding arising out of or relating to performance by you of services for, or actions of you as a director, officer, or employee of Quaker Houghton or any parent, subsidiary or affiliate of Quaker Houghton, or of any other person or enterprise at Quaker Houghton's request. Expenses incurred by you in defending such a claim, action, suit or investigation or criminal proceeding shall be paid by Quaker Houghton in advance of the final disposition thereof upon the receipt by the Company of an undertaking by or on your behalf to repay said amounts unless it shall ultimately be determined that you are entitled to be indemnified hereunder; provided, however, that this shall not apply to a nonderivative action commenced by Quaker Houghton against you.

10. Governing Law.

The provisions of this Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania without reference to principles of conflicts of laws.

11. Miscellaneous

This Agreement and the Change in Control Agreement to which you are a party, constitute the entire integrated agreement concerning the subjects covered herein. In case any provision of this Agreement shall be invalid, illegal, or otherwise unenforceable, the validity, legality, and enforceability of the remaining provisions shall not thereby be affected or impaired. You may not assign any of your rights or obligations under this Agreement without Quaker Houghton's prior written consent. Quaker Houghton may assign this Agreement in its discretion, including to any affiliate or upon a sale of assets or equity, merger, or other corporate transaction; provided that Quaker Houghton obtains the assignee's written commitment to honor the terms and conditions contained herein. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania without regard to any conflict of laws. This Agreement shall be binding upon you, your heirs, executors, and administrators and shall inure to the benefit of Quaker Houghton as well as its successors and assigns. In the event of any overlap in the restrictions contained herein, including Sections 4 and/or 5 above, with similar restrictions contained in any other agreement, such restrictions shall be read together so as to provide the broadest restriction possible.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

WITNESS:

QUAKER CHEMICAL CORPORATION
DBA QUAKER HOUGHTON

WITNESS:

TOM COLER
[/s/ TOM COLER]
Executive to sign here

ADDENDUM 1

Base Salary:	Your salary will be payable on a bi-weekly basis with an initial annualized salary of $515,000. You will be eligible for your next salary increase review in 2025.
Annual and Long-Term Bonus and Grants:	For your position, you are eligible to participate in the full year 2024 Annual Incentive Plan ("AIP") with a target award percentage of 65% of your base salary, dependent upon Quaker Houghton's financial results, organizational context, and individual performance. You will be eligible to participate in the 2024-2026 Long-Term Incentive Plan ("LTIP") for the full year of 2024. Your award for the 2024-2026 performance period includes a mix of time-based restricted stock units (RSU's) (40%) and target performance stock units (PSU's) (60%) of the total award. The value at a target level is $850,000. The PSU's are for a three-year performance period and the RSU'S will vest ratably over a 3-year period. Annual LTI awards are discretionary and require approval from the Compensation and Human Resources Committee and are granted either on the 15th of the month of hire or on the 15th of the following month.
Special One-time Grant:	An equity sign-on award of $400,000 RSU's which will vest in its entirety on the two (2) year anniversary of the grant date. Such award is subject to a claw-back and must be repaid to the Company if you voluntarily terminate your employment with Quaker Houghton or are terminated for cause within the three (3) years of your tenure with Quaker Houghton. LTI awards are discretionary and require approval from the Compensation and Human Resources Committee and are granted either on the 15th of the month of hire or on the 15th of the following month.

You will be provided with a one-time lump sum payment of approximately $12,000 to cover the cancellation of your current apartment lease and the movement of household goods from Utah to Minnesota. This payment will be grossed-up for federal, state, and local income and employment taxes. You will provide the company with documentation associated with these costs and will be paid the one-time lump sum, as soon as administratively feasible after your start date.

If you voluntarily resign prior to completing two (2) years of employment with the company, you agree to reimburse Quaker Houghton for the full amount of the payment(s) that was made during the previous two-year period.

Quaker Houghton will provide temporary housing during the transition to the Philadelphia area for up to 90 days. Movement of household goods to support short term living will be paid by Quaker Houghton. Further information regarding these services will be provided upon acceptance of a formal offer of employment.

Additional Forfeitures

You will be eligible to participate in the company's health and welfare benefit programs in accordance with and subject to the terms and conditions of such plans or programs.

As a member of the Executive Leadership Team, you are eligible for our Executive Financial Wellbeing benefit.

The Financial Wellbeing benefit provides you support for eligible expenses that you incur for financial and tax planning activities. Quaker Houghton partners with Goldman Sachs Ayco to assist you with these services. The cost of the Ayco's Tax and Financial Planning service is up to $15,500 annually and will be fully paid for by Quaker Houghton. You are only responsible for the taxes on any imputed income. The decision to use Goldman Sachs Ayco or another provider is your choice. Should you elect a different provider, you are eligible for a reimbursement on eligible expenses up to $3,500.

Temporary Housing

Either benefit option is provided on a calendar year basis and is a taxable benefit. You must be employed by Quaker Houghton when the services are provided to receive this reimbursement.

Upon separation from service following retirement, company-initiated termination without cause, long-term disability or death of a participating executive, Quaker Houghton will pay for the benefit for the year of the separation from service and one-year post separation from service. In the event of a change in control, Quaker Houghton will pay for the benefit for the year in which the change in control occurs and for one calendar year thereafter.

Executive Financial Wellbeing and Financial Planning:

In partnership with external medical providers, we will provide proactive and preventative healthcare offerings in 3 available options to each of you and your spouse (should you choose): Executive Physical (in partnership with Penn Medicine), Executive Medical Concierge services (in partnership with Penn Medicine OR MDVIP), or Executive Medical reimbursement coverage through a provider of your choice (ex. Mayo Clinic). Quaker Houghton will cover the financial cost of these offerings.

Executive Medical Benefits

Quaker Houghton offers a Flexible Benefits Program that is subject to change. This gives you the opportunity to choose from a variety of options creating a customized benefits package. The following benefits are currently part of the program. In each of these areas, you are offered a range of options so you may choose the ones that make the most sense for your personal situation.

- Medical
- Dental
- Life & AD&D Insurance
- Long-term Disability
- Health Care and Dependent Care Flexible Spending Accounts (FSAs)
- Retirement Savings Plan (401K)

Other Benefits:

EXHBIIT 10.2

CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT, dated June 10, 2024 between QUAKER CHEMICAL CORPORATION, d/b/a QUAKER HOUGHTON, a Pennsylvania corporation (the “Company”) and Tom Coler (the “Manager”),

W I T N E S S E T H T H A T

WHEREAS, the Board of Directors of the Company has determined that it is in the best interests of the Company and its shareholders that the Company and its subsidiaries be able to attract, retain, and motivate highly qualified management personnel and, in particular, that they be assured of continuity of management in the event of any actual or threatened change in control of the Company; and

WHEREAS, the Board of Directors of the Company believes that the execution by the Company of change in control agreements with certain management personnel, including the Manager, is an important factor in achieving this desired end;

NOW, THEREFORE, IN CONSIDERATION of the mutual obligations and agreements contained herein and intending to be legally bound hereby, the Manager and the Company agree that the Change in Control Agreement is amended and restated, as follows:

1. <u>Term of Agreement</u>.

This Agreement shall become effective on your start date with the Company (the “Effective Date”), and shall continue in effect through December 31, 20243, provided, however, that the term of this Agreement shall automatically be extended for successive one-year periods thereafter, unless, not later than eighteen (18) months preceding the calendar year for which the term would otherwise automatically extend, the Company shall have given written notice to the Manager of intention not to extend this Agreement for an additional year, in which event this Agreement shall continue in effect until December 31 of the calendar year immediately preceding the calendar year for which the term would have otherwise automatically extended. Notwithstanding any such notice not to extend, if a Change in Control (as defined in Section 2) occurs during the original or extended term of this Agreement, this Agreement shall remain in effect after a Change in Control until all obligations of the parties hereto under this Agreement shall have been satisfied.

2. Change in Control.

As used in this Agreement, a "Change in Control" of the Company shall be deemed to have occurred if:

(a) Any person (a "Person"), as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than (i) the Company and/or its wholly owned subsidiaries; (ii) any ESOP or other employee benefit plan of the Company and any trustee or other fiduciary in such capacity holding securities under such plan; (iii) any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company; or (iv) any other Person who, within the one year prior to the event which would otherwise be a Change in Control, is an executive officer of the Company or any group of Persons of which he voluntarily is a part), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities or such lesser percentage of voting power, but not less than 15%, as determined by the members of the Board of Directors of the Company who are independent directors (as defined in the New York Stock Exchange, Inc. Listed Company Manual);

(b) During any two-year period after the Effective Date, Directors of the Company in office at the beginning of such period plus any new Director (other than a Director designated by a Person who has entered into an agreement with the Company to effect a transaction within the purview of subsections (a) or (c)) whose election by the Board of Directors of the Company or whose nomination for election by the Company'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 the Company in which the Company is not the continuing or surviving corporation or pursuant to which the Company's voting common shares (the "Common Shares") would be converted into cash, securities, and/or other property, other than a merger of the Company in which holders of 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 (in one transaction or a series of related transactions) of all or substantially all the assets or earning power of the Company; or

(d) The Company's shareholders or the Company's Board of Directors shall approve the liquidation or dissolution of the Company.

3. Entitlement to Change in Control Benefits; Certain Definitions.

The Manager shall be entitled to the benefits provided in this Agreement in the event the Manager has a Separation from Service under the circumstances described in (a) below (a "Covered Termination"), provided the Manager executes and does not revoke a Release (as defined below), if any, provided by the Company.

(a) A Covered Termination shall have occurred in the event the Manager's employment with the Company or its affiliates is terminated within two (2) years following a Change in Control by:

(i) The Company or its affiliates without Cause (as defined below); or

(ii) Resignation of the Manager for Good Reason (as defined below).

The Manager shall have no rights to any payments or benefits under this Agreement in the event the Manager's employment with the Company and its affiliates is terminated (i) as a result of death or Disability (as defined below), or (ii) by the Company or its affiliates for Cause. In the event the Manager's employment is terminated for any reason prior to a Change in Control, the Manager shall have no rights to any payments or benefits under this Agreement and, after any such termination, this Agreement shall be of no further force or effect.

"Cause" shall mean (i) the Manager's willful and material breach of the employment agreement, if any, between the Manager and the Company (after having received notice thereof and a reasonable opportunity to cure or correct), (ii) dishonesty, fraud, willful malfeasance, gross negligence, or other gross misconduct, in each case relating to the performance of the Manager's employment with the Company or its affiliates which is materially injurious to the Company, or (iii) conviction of or plea of guilty to a felony, such Cause to be determined, in each case, by a resolution approved by at least two-thirds of the Directors of the Company after having afforded the Manager a reasonable opportunity to appear before the Board of Directors of the Company and present his position.

"Code" shall mean the Internal Revenue Code of 1986, as amended, together with any applicable regulations thereunder.

"Disability" shall mean covered total and permanent disability as defined in the long-term disability plan maintained by the Company for employees generally or, if the Company does not maintain such a plan, the long-term disability plan most recently maintained by the Company for employees generally.

"Good Reason" shall mean any of the following actions without the Manager's consent, other than due to the Manager's death or Disability: (i) any reduction in the Manager's base salary from that provided immediately before the Covered Termination or, if higher, immediately before the Change in Control; (ii) any reduction in the Manager's bonus opportunity (including cash and 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 Manager's authorities, powers, functions, or duties from those in effect immediately before the Change in Control; (iv) a reduction in the Manager'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 Manager being required to accept a primary employment location which is more than twenty-five (25) miles from the location at which he primarily was employed during the ninety (90) day period prior to a Change in Control.

"Payment Date" shall mean the 60th day after the Manager's Separation from Service, subject to Section 9.

"Release" shall mean a release (in a form satisfactory to the Company) of any and all claims against the Company and all related parties with respect to all matters arising out of the Manager's employment by the Company and its affiliates, or the termination thereof (other than claims for any entitlements under the terms of this Agreement, under any employment agreement between the Manager and the Company, or under any plans or programs of the Company under which the Manager has accrued a benefit) that the Company provides to the Manager no later than three days after the date of the Manager's Covered Termination. Notwithstanding any provision of this Agreement to the contrary, if the Company provides a Release to the Manager, the Manager shall not be entitled to any payments or benefits under this Agreement unless the Manager executes the Release within 45 days of the later of the date he receives the Release or the date of his Covered Termination, and the Manager does not revoke the Release.

"Separation from Service" shall mean the Manager's separation from service with the Company and its affiliates within the meaning of Treas. Reg. §1.409A-1(h) or any successor thereto.

"Specified Employee" shall mean the Manager if he is a specified employee as defined in Section 409A of the Code as of the date of his Separation from Service.

4. Severance Allowance.

(a) Amount of Severance Allowance. In the event of a Covered Termination, the Company shall pay or cause to be paid to the Manager in cash a severance allowance (the "Severance Allowance") equal to 1.5 (one and one-half) times the sum of the amounts determined in accordance with the following paragraphs (i) and (ii):

(i) An amount equivalent to the highest annualized base salary which the Manager was entitled to receive from the Company and its subsidiaries at any time during his employment prior to the Covered Termination; and

(ii) An amount equal to the average of the aggregate annual amounts paid to the Manager in the Applicable Three-Year Period under all applicable annual incentive compensation plans maintained by the Company and its affiliates (other than compensation relating to relocation expense; the grant, exercise, or settlement of stock options, restricted stock or performance incentive units or the sale or other disposition of shares received upon exercise or settlement of such awards); provided, however, that (x) in determining the average amount paid under the annual incentive plan during the Applicable Three-Year Period there shall be excluded any year in which no amounts were paid to the Manager under that plan; and (y) there shall be excluded from such calculation any amounts paid to the Manager under any such incentive compensation plan as a result of the acceleration of such payments under such plan due to termination of the plan, a Change in Control, or a similar occurrence. The Applicable Three-Year Period shall be (A) if the Manager has received an annual incentive compensation plan payment in the calendar year of his Covered Termination, the calendar year in which such Covered Termination occurs and the two preceding calendar years, or (B) in any other case, the three calendar years preceding the calendar year in which the Manager's Covered Termination occurs; provided, however, that the Applicable Three-Year Period shall be determined by substituting "Change In Control" for "Covered Termination" if such substitution results in a higher amount under this subsection (ii).

In no event shall any retention bonus or change in control or success fee be taken into account when determining the amount of the Severance Allowance hereunder.

(b) Payment of Severance Allowance. The Severance Allowance shall be paid to the Manager in a lump sum on the Payment Date if the applicable Change in Control is also a change in control event as defined in Treas. Reg. §1.409A-3(i)(5) (or any successor thereto). In any other case, the Severance Allowance shall be paid in eighteen monthly installments commencing on the Payment Date, each of which is equal to one eighteenth (1/18th) of the amount of the Severance Allowance determined under Section 4(a), which are treated as a right to a series of separate payments for purposes of Section 409A of the Code.

5. Outplacement and Welfare Benefits.

(a) Outplacement. Subject to Section 6, for a period of one year following a Covered Termination of the Manager, the Company shall make or cause to be made available to the Manager, at its expense, outplacement counseling and other outplacement services comparable to those available for the Company's senior managers prior to the Change in Control.

(b) Welfare Benefits. Subject to Section 6, for a period eighteen months following a Covered Termination of the Manager, the Manager and the Manager's dependents shall be entitled to participate in the Company's life, medical, and dental insurance plans at the Company's expense, in accordance with the terms of such plans at the time of such Covered Termination as if the Manager were still employed by the Company or its affiliates under this Agreement. If, however, life, medical, or dental insurance benefits are not paid or provided under any such plan to the Manager or his dependents because the Manager is no longer an employee of the Company or its subsidiaries, the Company itself shall, to the extent necessary, pay or otherwise provide for such benefits to the Manager and his dependents.

6. <u>Effect of Other Employment</u>.

In the event the Manager becomes employed (as defined below) during the period with respect to which benefits are continuing pursuant to Section 5: (a) the Manager shall notify the Company not later than the day such employment commences; and (b) the benefits provided for in Section 5 shall terminate as of the date of such employment. For the purposes of this Section 6, the Manager shall be deemed to have become "employed" by another entity or person only if the Manager becomes essentially a full-time employee of a person or an entity (not more than 30% of which is owned by the Manager and/or members of his family); and the Manager's "family" shall mean his parents, his siblings and their spouses, his children and their spouses, and the Manager's spouse and his parents and siblings. Nothing herein shall relieve the Company of its obligations for compensation or benefits accrued up to the time of termination provided for herein.

7. <u>Other Payments and Benefits</u>.

On the Payment Date, the Company shall pay or cause to be paid to the Manager the aggregate of: (a) the Manager's earned but unpaid base salary through the Covered Termination at the rate in effect on the date of the Covered Termination, or if higher, at the rate in effect at any time during the 90-day period preceding the Change in Control; (b) any unpaid bonus or annual incentive payable to the Manager in respect of the calendar year ending prior to the Covered Termination; (c) the pro rata portion of any and all unpaid bonuses and annual incentive awards for the calendar year in which the Covered Termination occurs, said pro rata portion to be calculated on the fractional portion (the numerator of said fraction being the number of days between January 1 and the date of the Covered Termination, and the denominator of which is 365) of the target bonuses or annual incentive awards for such calendar year; and (d) the pro rata portion of any and all awards under the Company's long term incentive plan for the performance period(s) in which the Covered Termination occurs, said pro rata portion to be calculated on the fractional portion (the numerator of said fraction being the number of days between the first day of the applicable performance period and the date of the Covered Termination, and the denominator of which is the total number of days in the applicable performance period) of the amount of the award which would have been payable had (i) the Covered Termination not occurred, and (ii) the target level of performance been achieved for the applicable performance period. The Manager shall be entitled to receive any other payments or benefits that the Manager is entitled to pursuant to the express terms of any compensation or benefit plan or arrangement of the Company or any of its affiliates; provided that: (x) the Severance Allowance (i) shall be in lieu of any severance payments to which the Manager might otherwise be entitled under the terms of any severance pay plan, policy, or arrangement maintained by the Company or the employment agreement, if any, between the Manager and the Company, and (ii) shall be credited against any severance payments to which the Manager may be entitled by statute; (y) any annual incentive described in subsection (b) or (c) shall decrease (or shall be decreased by), but not below zero, the amount of the annual incentive payable (or paid) with respect to the same calendar year under the Company's annual incentive plan (currently the 2023 Annual Incentive Plan); and (z) any amount described in subsection (d) shall decrease (or shall be decreased by), but not below zero, the amount of the analogous performance award payable (or paid) with respect to the same performance period(s) under the Company's long term incentive plan(s) (currently the 2016 Long-Term Performance Incentive Plan).

8. Death After Covered Termination.

In the event the Manager dies after a Covered Termination occurs, (a) any payments due to the Manager under Section 4 and the first sentence of Section 7 and not paid prior to the Manager's death shall be made to the person or persons who may be designated by the Manager in writing or, in the event he fails to so designate, to the Manager's personal representatives, and (b) the Manager's spouse and dependents shall be eligible for the welfare benefits described in Section 5(b). Payments pursuant to subsection (a) shall be made on the later of (i) the date payment would have been made to the Manager without regard to Section 9, or (ii) the date of the Manager's death.

9. Certain Section 409A Rules.

(a) Specified Employee. Notwithstanding any provision of this Agreement to the contrary, if the Manager is a Specified Employee, any payment or benefit under this Agreement that constitutes deferred compensation subject to Section 409A of the Code and for which the payment event is Separation from Service shall not be made or provided before the date that is six months after the date of the Manager's Separation from Service. Any payment or benefit that is delayed pursuant to this Section 9 shall be made or provided on the first business day of the seventh month following the month in which the Manager's Separation from Service occurs. With respect to any cash payment delayed pursuant to this Section 9, the first payment shall include interest, at the Wall Street Journal Prime Rate published in the Wall Street Journal on the date of the Manager's Covered Termination (or the previous business day if such date is not a business day), for the period from the date the payment would have been made but for this Section 9 through the date payment is made. The provisions of this Section 9 shall apply only to the extent required to avoid the Manager's incurrence of any additional tax or interest under Section 409A of the Code.

(b) Reimbursement and In-Kind Benefits. Notwithstanding any provision of this Agreement to the contrary, with respect to in-kind benefits provided or expenses eligible for reimbursement under this Agreement which are subject to Section 409A of the Code, (i) the benefits provided or the amount of expenses eligible for reimbursement during any calendar year shall not affect the benefits provided or expenses eligible for reimbursement in any other calendar year, except as otherwise provided in Treas. Reg. §1.409A-3(i)(1)(iv)(B), and (ii) the reimbursement of an eligible expense shall be made as soon as practicable after the Manager requests such reimbursement (subject to Section 9(a)), but not later than the December 31 following the calendar year in which the expense was incurred.

(c) Interpretation and Construction. This Agreement is intended to comply with Section 409A of the Code and shall be administered, interpreted, and construed in accordance therewith to avoid the imposition of additional tax under Section 409A of the Code.

10. Confidentiality and Noncompetition.

(a) Confidential Information. The Manager acknowledges that information concerning the method and conduct of the Company's (and any affiliate's) business, including, without limitation, strategic and marketing plans, budgets, corporate practices and procedures, financial statements, customer and supplier information, formulae, formulation information, application technology, manufacturing information, and laboratory test methods and all of the Company's (and any affiliate's) manuals, documents, notes, letters, records, and computer programs ("Proprietary Business Information"), are the sole and exclusive property of the Company (and/or the Company's affiliates, as the case may be) and are likely to constitute, contain or reveal trade secrets ("Trade Secrets") of the Company (and/or the Company's affiliate's, as the case may be). The term "Trade Secrets" as used herein does not include Proprietary Business Information that is known or becomes known to the public through no act or failure to act on the part of the Manager, or which can be clearly shown by written records to have been known by the Manager prior to the commencement of his employment with the Company.

(i) The Manager agrees that at no time during or following his employment with the Company will he use, divulge, or pass on, directly or through any other individual or entity, any Trade Secrets.

(ii) Upon termination of the Manager's employment with the Company regardless of the reason for the termination of the Manager's employment hereunder, or at any other time upon the Company's request, the Manager agrees to forthwith surrender to the Company any and all materials in his possession or control which constitute or contain any Proprietary Business Information.

(b) Noncompetition. The Manager agrees that during his employment and for a period of one (1) year thereafter, regardless of the reason for the termination of the Manager's employment, he will not:

(i) directly or indirectly, together or separately or with any third party, whether as an individual proprietor, partner, stockholder, officer, director, joint venturer, investor, or in any other capacity whatsoever actively engage in business or assist anyone or any firm in business as a manufacturer, seller, or distributor of specialty chemical products or chemical management services which are the same, like, similar to, or which compete with the products and services offered by the Company (or any of its affiliates);

(ii) directly or indirectly recruit, solicit, or encourage any employee of the Company (or any of its affiliates) or otherwise induce such employee to leave the employ of the Company (or any of its affiliates) or to become an employee or otherwise be associated with his or any firm, corporation, business, or other entity with which he is or may become associated; or

(iii) solicit, directly or indirectly, for himself or as agent or employee of any person, partnership, corporation, or other entity (other than for the Company), any then or former customer, supplier, or client of the Company with the intent of actively engaging in business which would cause competitive harm to the Company (or any of its affiliates).

(c) Severability. The Manager acknowledges and agrees that all of the foregoing restrictions are reasonable as to the period of time and scope. However, if any paragraph, sentence, clause, or other provision is held invalid or unenforceable by a court of competent and relevant jurisdiction, such provision shall be deemed to be modified in a manner consistent with the intent of such original provision so as to make it valid and enforceable, and this Agreement and the application of such provision to persons and circumstances other than those with respect to which it would be invalid or unenforceable shall not be affected thereby.

(d) Remedies. The Manager agrees and recognizes that in the event of a breach or threatened breach of the provisions of the restrictive covenants contained in this Section 10, the Company may suffer irreparable harm, and monetary damages may not be an adequate remedy. Therefore, if any breach occurs or is threatened, the Company shall be entitled to seek equitable remedies, including injunctive relief in any court of applicable jurisdiction notwithstanding the provisions of Section 12. In the event of any breach of the restrictive covenant contained in this Section 10, the term of the restrictive covenant specified herein shall be extended by a period of time equal to that period beginning on the date such violation commenced and ending when the activities constituting such violation cease. Furthermore, if a court or arbitration panel determines that the Manager has breached any of the provisions of this Section 10, the

Company's obligations to pay amounts and continue the benefits under this Agreement to the Manager (and his dependents) shall immediately terminate.

11. Set-Off Mitigation.

Except as provided in Section 6, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense, or other claim, right, or action which the Company may have against the Manager or others. In no event shall the Manager be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Manager under any of the provisions of this Agreement.

12. Arbitration: Costs and Expenses of Enforcement.

(a) Arbitration. Except as otherwise provided in Sections 10(d) and 13, any controversy or claim arising out of or relating to this Agreement or the breach thereof which cannot promptly be resolved by the parties shall be promptly submitted to and settled exclusively by arbitration in the City of Philadelphia, Pennsylvania, in accordance with the laws of the Commonwealth of Pennsylvania by three arbitrators, one of whom shall be appointed by the Company, one by the Manager, and the third of whom shall be appointed by the first two arbitrators. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except with respect to the selection of arbitrators which shall be as provided in this Section 12. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(b) Costs and Expenses. In the event that it shall be necessary or desirable for the Manager to retain legal counsel and/or incur other costs and expenses in connection with the enforcement of any and all of his rights under this Agreement at any time during his lifetime, the Company shall pay (or the Manager shall be entitled to recover from the Company, as the case may be) his reasonable attorneys' fees and costs and expenses in connection with the enforcement of his said rights (including those incurred in or related to any arbitration proceedings provided for in subsection (a) and the enforcement of any arbitration award in court), regardless of the final outcome.

13. Limitation on Payment Obligation.

(a) Definitions. For purposes of this Section 13, all terms capitalized but not otherwise defined herein shall have the meanings as set forth in Section 280G of the Code. In addition:

(i) the term "Parachute Payment" shall mean a payment described in Section 280G(b)(2)(A) or Section 280G(b)(2)(B) of the Code (including, but not limited to, any stock option rights, stock grants, and other cash and noncash compensation amounts that are treated as payments under either such section) and not excluded under Section 280G(b)(4)(A) or Section 280G(b)(6) of the Code;

(ii) the term “Reasonable Compensation” shall mean reasonable compensation for prior personal services as defined in Section 280G(b)(4)(B) of the Code and subject to the requirement that any such reasonable compensation must be established by clear and convincing evidence; and

(iii) the portion of the “Base Amount” and the amount of “Reasonable Compensation” allocable to any “Parachute Payment” shall be determined in accordance with Section 280G(b)(3) and (4) of the Code.

(b) Limitation. Notwithstanding any other provision of this Agreement, Parachute Payments to be made to or for the benefit of the Manager but for this subsection (b), whether pursuant to this Agreement or otherwise, shall be reduced if and to the extent necessary so that the aggregate Present Value of all such Parachute Payments shall be at least one dollar ($1.00) less than the greater of (i) three times the Manager’s Base Amount and (ii) the aggregate Reasonable Compensation allocable to such Parachute Payments. Any reduction in Parachute Payments caused by reason of this subsection (b) shall be applied in the manner least economically detrimental to the Manager. In the event reduction of two or more types of payments would be economically equivalent, the reduction shall be applied pro-rata to such types of payments.

This subsection (b) shall be interpreted and applied to limit the amounts otherwise payable to the Manager under this Agreement or otherwise only to the extent required to avoid any material risk of the imposition of excise taxes on the Manager under Section 4999 of the Code or the disallowance of a deduction to the Company under Section 280G(a) of the Code. In the making of any such interpretation and application, the Manager shall be presumed to be a disqualified individual for purposes of applying the limitations set forth in this subsection (b) without regard to whether or not the Manager meets the definition of disqualified individual set forth in Section 280G(c) of the Code. In the event that the Manager and the Company are unable to agree as to the application of this subsection (b), the Company’s independent auditors shall select independent tax counsel to determine the amount of such limits. Such selection of tax counsel shall be subject to the Manager’s consent, provided that the Manager shall not unreasonably withhold his consent. The determination of such tax counsel under this Section 13 shall be final and binding upon the Manager and the Company.

(c) Illegal Payments. Notwithstanding any other provision of this Agreement, no payment shall be made hereunder to or for the benefit of the Manager if and to the extent that such payments are determined to be illegal.

14. Notices.

Any notices, requests, demands, and other communications provided for by this Agreement shall be sufficient if in writing, and if hand delivered or if sent by registered or certified mail, if to the Manager, at the last address he had filed in writing with the Company or if to the Company, at its principal executive offices. Notices, requests, etc. shall be effective when actually received by the addressee or at such address.

15. Withholding.

Notwithstanding any provision of this Agreement to the contrary, the Company may, to the extent required by law, withhold applicable Federal, state, and local income and other taxes from any payments due to the Manager hereunder.

16. Assignment and Benefit.

(a) This Agreement is personal to the Manager and shall not be assignable by the Manager, by operation of law, or otherwise without the prior written consent of the Company otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Manager's heirs and legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including, without limitation, any subsidiary of the Company to which the Company may assign any of its rights hereunder; provided, however, that no assignment of this Agreement by the Company, by operation of law, or otherwise shall relieve it of its obligations hereunder except an assignment of this Agreement to, and its assumption by, a successor pursuant to subsection (c).

(c) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, operation of law, or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, but, irrespective of any such assignment or assumption, this Agreement shall inure to the benefit of and be binding upon such a successor. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid.

17. Governing Law.

The provisions of this Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania without reference to principles of conflicts of laws.

18. Entire Agreement; Amendment.

(a) Except for the change in control provisions set forth in the Company's annual incentive plan and long-term incentive plans, this Agreement represents the entire agreement and understanding of the parties with respect to the subject matter hereof. The Manager understands and acknowledges that the Company's severance plan, annual incentive plan and long-term incentive plans are hereby amended with respect to the Manager to avoid duplication of benefits, as provided in Section 7.

(b) The Company reserves the right to unilaterally amend this Agreement without the consent of the Manager to the extent the Compensation/Management Development Committee of the Company's Board of Directors (in its sole discretion) determines is necessary or appropriate to avoid the additional tax under Section 409A(a)(1)(B) of the Code; otherwise, this Agreement may not be altered or amended except by an agreement in writing executed by the Company and the Manager.

19. No Waiver.

The failure to insist upon strict compliance with any provision of this Agreement by any party shall not be deemed to be a waiver of any future noncompliance with such provision or of noncompliance with any other provision.

20. Severability.

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect.

21. Indemnification.

The Company shall defend and hold the Manager harmless to the fullest extent permitted by applicable law in connection with any claim, action, suit, investigation or proceeding arising out of or relating to performance by the Manager of services for, or action of the Manager as a director, officer or employee of the Company or any parent, subsidiary or affiliate of the Company, or of any other person or enterprise at the Company's request. Expenses incurred by the Manager in defending such a claim, action, suit or investigation or criminal proceeding shall be paid by the Company in advance of the final disposition thereof upon the receipt by the Company of an undertaking by or on behalf of the Manager to repay said amount unless it shall ultimately be determined that the Manager is entitled to be indemnified hereunder; provided, however, that this shall not apply to a nonderivative action commenced by the Company against the Manager.

IN WITNESS WHEREOF, the Manager has hereunto set his hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name and on its behalf and attested by its Secretary or Assistant Secretary, all as of the day and year first above written.

TOM COLER

[/s/ TOM COLER]

QUAKER CHEMICAL CORPORATION DBA QUAKER HOUGHTON

By:____________________________________

Title:____________________________________

Quaker Houghton
Forward Together

Exhibit 10.4

RESTRICTED STOCK UNIT AWARD

Pursuant to the current compensation structure at Quaker Houghton (the "Company") for a member of the Board of Directors of the Company (the "Board"), **###PARTICIPANT_NAME###** (the "Grantee"), is hereby issued **###TOTAL_AWARDS###** restricted stock units ("RSUs") of the Company as a Restricted Stock Unit Award (the "Award") under the Quaker Houghton Long-Term Performance Incentive Plan (the "2024 Plan") representing a **###TOTAL_VALUE###** equity award calculated as of **###GRANT_DATE###** (the "Effective Date") at **###MARKET_PRICE_AT_TIME_OF_GRANT###** per RSU. Each vested RSU entitles Grantee to receive one share of Common Stock of the Company on the Distribution Date (as defined below). This Award is subject to Grantee's acceptance of the terms and conditions of this Award set forth in this agreement (the "Agreement").

Except as provided herein and in the 2024 Plan, RSUs subject to this Award will vest in a single installment on the earlier of, (i) **###FIRST_VEST_DATE###,** or (ii) if Grantee's retirement date is the date of the Company's annual meeting in the next service year (and Grantee is not up for re-election to serve a new term on the Board), the day before the date of the Company's annual meeting in that year.

The terms and conditions of this Award are governed by this Agreement and the 2024 Plan. Unless otherwise defined herein, terms used in this Agreement have the meanings assigned to them in the 2024 Plan. In the event of any inconsistency between the terms of this Agreement and the terms of the 2024 Plan, the terms of the 2024 Plan shall govern.

1. As soon as practicable after the Effective Date of this Award, the RSUs will be credited to a separate account maintained by the 2024 Plan's third-party administrator on Grantee's behalf.

2. The RSUs may not be transferred in any manner other than by will or the laws of descent or distribution.

3. The RSUs are not actual shares of Common Stock, and do not have voting rights.

4. Grantee will receive dividend equivalents on RSUs. On each date that the Company pays a cash dividend to holders of Common Stock, the Company, through the 2024 Plan's third-party administrator, will credit to Grantee's account an additional number of RSUs equal to the total number of RSUs credited to Grantee's account on such date, multiplied by the dollar amount of the per share cash dividend, and divided by the Fair Market Value of a share of Common Stock on such date. RSUs credited pursuant to this paragraph will be subject to the same terms and conditions, and will be paid at the same time and in the same form, as the RSUs to which the dividend equivalent rights relate.

5. Under the 2024 Plan, unvested RSUs will be forfeited in the event Grantee's Board directorship ends prior to the completion of the vesting period, unless such termination is due to (i) death, (ii) Total Disability or (iii) retirement at or after the retirement age under the Board's retirement policy. Any fractional RSUs will be forfeited.

6. With respect to vested RSUs, a corresponding number of actual shares of Common Stock will be deposited into a stock plan account established under Grantee's name by the 2024 Plan's third-party administrator in the calendar year in which the vesting date or, if applicable, within ninety (90) days after a Covered Termination occurs. The date of such transfer shall be referred to as the "Distribution Date."

Quaker Chemical Corporation
A Quaker Houghton Company
901 E. Hector Street
Conshohocken, PA 19428-2380
T: 610.832.4000
quakerhoughton.com

7. All distributions to Grantee or to Grantee's beneficiary upon vesting of the RSUs hereunder will be subject to withholding by the 2024 Plan's third-party administrator of amounts sufficient to cover the applicable withholding obligations. In the event that any required tax withholding upon the settlement of such RSUs exceeds your other compensation due from the Company, Grantee agrees to remit to the Company, as a condition to settlement of such RSUs, such additional amounts in cash as are necessary to satisfy the required withholding. Any and all withholding obligations may be settled with shares of Common Stock.

8. A Grantee's right to receive or retain this Award, to retain any amount received pursuant to this Award (in cash or Common Stock) and, in the case of Common Stock received pursuant to this Award, to retain any profit or gain the Grantee realized in connection with this Award, shall be subject to any recoupment or "clawback" policy adopted by the Company.

9. Notwithstanding any provision of this Agreement to the contrary, if a Grantee is a specified employee (as defined in Treas. Reg. §1.409A-1(i)), any payment or benefit under this Agreement that constitutes deferred compensation subject to Code Section 409A and for which the payment event is separation from service (as defined in Treas. Reg. §1.409A-1(h)) shall not be made or provided to the Grantee before the date that is six (6) months after the date of the Grantee's separation from service. Any payment or benefit that is delayed pursuant to this paragraph shall be made or provided on the first (1^{st}) business day of the seventh (7^{th}) month following the month in which the Grantee's separation from service occurs. With respect to any cash payment delayed pursuant to this paragraph, the delayed payment shall include interest, at the Wall Street Journal Prime Rate published in the Wall Street Journal on the date of the Grantee's separation from service (or the previous business day if such date is not a business day), for the period from the date the payment would have been made but for this paragraph through the date payment is made. The provisions of this paragraph shall apply only to the extent required to avoid a Grantee's incurrence of any additional tax or interest under Code Section 409A. To the extent any payment or benefit under the 2024 Plan constitutes deferred compensation subject to Code Section 409A, this 2024 Plan is intended to comply with Code Section 409A and shall be administered, interpreted and construed in accordance therewith to avoid the imposition of additional tax under Code Section 409A.

10. Nothing in the 2024 Plan or this Agreement will be construed as creating any right in the Grantee to continued employment or service, or as altering or amending the existing terms and conditions of the Grantee's employment or service.

11. All notices required to be given hereunder shall be mailed by registered or certified mail to the Company to the attention of its Secretary, at 901 E. Hector Street, Conshohocken, Pennsylvania 19428, and to Grantee at Grantee's address as it appears on the Company's books and records unless either of said parties has duly notified the other in writing of a change in address.

12. To the extent not preempted by Federal law, this Agreement shall be construed, administered and governed in all respects under and by the laws of the Commonwealth of Pennsylvania, without giving effect to its conflict of laws principles.

13. This Agreement contains all the understandings between the parties hereto pertaining to the matter referred to herein, and supersedes all undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto. Grantee represents that, in executing this Agreement, Grantee has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter of this Agreement.

QUAKER HOUGHTON

By: ____________

Robert T. Traub

Grantee represents that Grantee is familiar with the terms and provisions of the 2024 Plan, and hereby accepts this Award subject to the terms and provisions of the 2024 Plan insofar as they relate to RSUs granted thereunder. Grantee agrees hereby to accept as binding, conclusive, and final all decisions or interpretations of the Company upon any questions arising under the 2024 Plan or this Grant. Grantee authorizes the Company to withhold in accordance with applicable law from any compensation payable to Grantee any taxes required to be withheld by Federal, state, or local law as a result of the vesting of this Award. Grantee represents that, in executing this Agreement, Grantee has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter of this Agreement.

By: ____________

###PARTICIPANT_NAME###

Acceptance Date: ###ACCEPTANCE_DATE###

Exhibit 10.5

RESTRICTED STOCK UNIT AWARD

The Compensation and Human Resources Committee (the "Committee") of the Board of Directors of Quaker Houghton (the "Company") has approved the award (the "Award") to **###PARTICIPANT_NAME###** (the "Grantee"), of **###TOTAL_AWARDS###** Restricted Stock Units ("RSUs") under the Quaker Houghton Long-Term Performance Incentive Plan (the "2024 Plan"). Each vested RSU entitles Grantee to receive one share of Common Stock of the Company on the Distribution Date. Subject to Grantee's acceptance of the terms and conditions of this Award set forth in this agreement (the "Agreement"), this Award is effective as of **###GRANT_DATE###** (the "Effective Date").

Except as provided herein and in the 2024 Plan, RSUs subject to this Award will vest per the vesting schedule listed below. The initial vesting will occur on **###FIRST_VEST_DATE###** (the "Vesting Date") (the period from the Effective Date to the Vesting Date, the "Restriction Period").

###VEST_SCHEDULE_TABLE###

The terms and conditions of this Award are governed by this Agreement and the 2024 Plan. Unless otherwise defined herein, terms used in this Agreement have the meanings assigned to them in the 2024 Plan. In the event of any inconsistency between the terms of this Agreement and the terms of the 2024 Plan, the terms of the 2024 Plan shall govern.

1. As soon as practicable after the Effective Date of this Award, the RSUs will be credited to a separate account maintained by the 2024 Plan's third-party administrator on Grantee's behalf.

2. The RSUs may not be transferred in any manner other than by will or the laws of descent or distribution.

3. The RSUs are not actual shares of Common Stock, and do not have voting rights.

4. Grantee will receive dividend equivalents on RSUs. On each date that the Company pays a cash dividend to holders of Common Stock, the Company, through the 2024 Plan's third-party administrator, will credit to Grantee's account an additional number of RSUs equal to the total number of RSUs credited to Grantee's account on such date, multiplied by the dollar amount of the per share cash dividend, and divided by the Fair Market Value of a share of Common Stock on such date. RSUs credited pursuant to this paragraph will be subject to the same terms and conditions, and will be paid at the same time and in the same form, as the RSUs to which the dividend equivalent rights relate.

5. Under the 2024 Plan, unvested RSUs will be forfeited immediately after Grantee's Termination of Service with the Company and its subsidiaries, unless such termination is due to death or Total Disability or by the Company without Cause, or on or after attainment of age sixty (60), in which case the unvested RSUs will vest on the date of termination on a pro rata basis (based on the number of full months of active service with the Company or a subsidiary during the Vesting Period over the total number of full months in the Vesting Period). In the event of a Covered Termination (generally a Termination of Service by action of the Company without Cause or a resignation for Good Reason in each case within two (2) years following a Change in Control), all unvested RSUs will fully vest as of the date of such Covered Termination. Any fractional RSUs will be forfeited.

6. With respect to vested RSUs, a corresponding number of actual shares of Common Stock will be deposited into a stock plan account established under Grantee's name by the 2024 Plan's third-party administrator in the calendar year in which the vesting date or, if applicable, within ninety (90) days after a Covered Termination occurs. The date of such transfer shall be referred to as the "Distribution Date."

7. All distributions to Grantee or to Grantee's beneficiary upon vesting of the RSUs hereunder will be subject to withholding by the 2024 Plan's third-party administrator of amounts sufficient to cover the applicable withholding obligations. In the event that any required tax withholding upon the settlement of such RSUs exceeds your other compensation due from the Company, Grantee agrees to remit to the Company, as a condition to settlement of such RSUs, such additional amounts in cash as are necessary to satisfy the required withholding. Any and all withholding obligations may be settled with shares of Common Stock.

8. A Grantee's right to receive or retain this Award, to retain any amount received pursuant to this Award (in cash or Common Stock) and, in the case of Common Stock received pursuant to this Award, to retain any profit or gain the Grantee realized in connection with this Award, shall be subject to any recoupment or "clawback" policy adopted by the Company.

9. Notwithstanding any provision of this Agreement to the contrary, if a Grantee is a specified employee (as defined in Treas. Reg. §1.409A-1(i)), any payment or benefit under this Agreement that constitutes deferred compensation subject to Code Section 409A and for which the payment event is separation from service (as defined in Treas. Reg. §1.409A-1(h)) shall not be made or provided to the Grantee before the date that is six (6) months after the date of the Grantee's separation from service. Any payment or benefit that is delayed pursuant to this paragraph shall be made or provided on the first (1^{st}) business day of the seventh (7^{th}) month following the month in which the Grantee's separation from service occurs. With respect to any cash payment delayed pursuant to this paragraph, the delayed payment shall include interest, at the Wall Street Journal Prime Rate published in the Wall Street Journal on the date of the Grantee's separation from service (or the previous business day if such date is not a business day), for the period from the date the payment would have been made but for this paragraph through the date payment is made. The provisions of this paragraph shall apply only to the extent required to avoid a Grantee's incurrence of any additional tax or interest under Code Section 409A. To the extent any payment or benefit under the 2024 Plan constitutes deferred compensation subject to Code Section 409A, this 2024 Plan is intended to comply with Code Section 409A and shall be administered, interpreted and construed in accordance therewith to avoid the imposition of additional tax under Code Section 409A.

10. Nothing in the 2024 Plan or this Agreement will be construed as creating any right in the Grantee to continued employment or service, or as altering or amending the existing terms and conditions of the Grantee's employment or service.

11. All notices required to be given hereunder shall be mailed by registered or certified mail to the Company to the attention of its Secretary, at 901 E. Hector Street, Conshohocken, Pennsylvania 19428, and to Grantee at Grantee's address as it appears on the Company's books and records unless either of said parties has duly notified the other in writing of a change in address.

12. To the extent not preempted by Federal law, this Agreement shall be construed, administered and governed in all respects under and by the laws of the Commonwealth of Pennsylvania, without giving effect to its conflict of laws principles.

13. This Agreement contains all the understandings between the parties hereto pertaining to the matter referred to herein, and supersedes all undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto. Grantee represents that, in executing this Agreement, Grantee has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter of this Agreement.

QUAKER HOUGHTON

BY:____________

Andrew E. Tometich

Grantee represents that Grantee is familiar with the terms and provisions of the 2024 Plan, and hereby accepts this Award subject to the terms and provisions of the 2024 Plan insofar as they relate to RSUs granted thereunder. Grantee agrees hereby to accept as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions arising under the 2024 Plan or this Grant. Grantee authorizes the Company to withhold in accordance with applicable law from any compensation payable to Grantee any taxes required to be withheld by Federal, state, or local law as a result of the vesting of this Award. Grantee represents that, in executing this Agreement, Grantee has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter of this Agreement.

By: ____________

###PARTICIPANT_NAME###

Acceptance Date: ###ACCEPTANCE_DATE###

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. OMITTED INFORMATION HAS BEEN REPLACED WITH BRACKETS AND XX.

Exhibit 10.6

PERFORMANCE STOCK UNIT AWARD

The Compensation and Human Resources Committee of the Board of Directors (the "Committee") of Quaker Houghton (the "Company") has approved an award (the "Award") to **###PARTICIPANT_NAME###** (the "Grantee"), of **###TOTAL_AWARDS###** performance stock units (the "PSUs," the number of PSUs granted, the "Target PSU Award") as of **###GRANT_DATE###** (the "Grant Date") under the Quaker Houghton Long-Term Performance Incentive Plan (the "2024 Plan") subject to achievement of the performance criteria described in this Agreement (the "Agreement"). The Award is subject to your acceptance of the terms and conditions set forth in the Agreement and in the 2024 Plan. The level of payment can range from 0% to 200% of the Target PSU Award depending on the achievement of the performance criteria. Unless otherwise defined herein, terms used in this Agreement have the meanings assigned to them in the 2024 Plan. In the event of any inconsistency between the terms of this Agreement and the terms of the 2024 Plan, the terms of the 2024 Plan shall govern.

1. The Award (to the extent it is vested) will be paid in the calendar year following the calendar year in which the Performance Period ends. The number of shares of Quaker Houghton that will be paid under the Award will be equal to the sum of (x) (i) 50% *times* (ii) the payout percentage for the Relative Total Shareholder Return Achievement Percentile ("Relative TSR Achievement Percentile") performance criterion *times* (iii) the Target PSU Award; and (y) (i) 50% *times* (ii) the payout percentage for the Adjusted Return on Invested Capital (ROIC) performance criterion *times* (iii) the Target PSU Award.

2. The Relative TSR Achievement Percentile and the ROIC will be determined individually for each year during the three-year period from January 1, 2024, to December 31, 2026 (such three-year period, the "Performance Period") and cumulatively for the full Performance Period. The payout percentage will be determined by assigning (i) a weight of 25% for performance during each of the three years during the Performance Period (for a total weight of 75%) and (ii) a weight of 25% for the cumulative performance during the Performance Period. The payout percentages (and vesting) of the Award will be determined by the Committee in its sole discretion. The Award will become vested as of the last day of the Performance Period to the extent determined by the Committee.

Award Measure	**Weighting Percentage**	**Award Parameters as a % of Goal Board Discretion to Pay Between 0%-200%of Target**		
Relative TSR Achievement Percentile* (relative to the TSR of companies in the S&P 1500 Chemical Group)	50%	25th percentile	50th percentile	75th percentile
Payout Percentage		Payout at 50%	Payout at 100%	Payout at 200%
Adjusted Return on Invested Capital (ROIC)*	50%	[XX%]	[XX%]	[XX%]
Payout Percentage		Payout at 50%	Payout at 100%	Payout at 200%

**Award achievement will be determined in the sole discretion of Quaker Houghton and may include adjustments relating to (i) accounting rule changes, (ii) Board-approved strategic changes, (iii) legislation or regulations that significantly impact*

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T: 610.832.4000

Information with respect to performance targets for the ROIC metric during the pendency of the performance period is not considered material to an understanding of our compensation arrangements and is not included in this exhibit because it represents confidential business or financial information that we do not otherwise disclose to the public. Disclosing this information could cause significant competitive harm to the Company.

the business results, (iv) capital or business restructurings including mergers and acquisitions, (v) legal actions against Quaker Houghton significantly affecting operating income, (vi) translational foreign exchange, (vii) natural disasters that cause material changes in business conditions, (viii) force majeures (e.g. terrorism, acts of god, war), (ix) significant operational restructuring (e.g. major IT conversion), or (x) unexpected external landscape changes that impact Award assumptions. Quaker Houghton reserves the discretion to determine the payout percentage (if any) for achievement thresholds that fall in between the thresholds described in the Table above; provided, however, that no payment will be made with respect to the Relative TSR award measure if the Relative TSR Achievement Percentile is below 25% and no payment will be made with respect to the Return on Investment Capital award measure if the Adjusted Return on Investment Capital 3-Year Average achievement percentage is less than [X.X]%.

3. Grantee (or Grantee's beneficiary) will have no voting rights with respect to the PSUs.

4. Grantee will not be entitled to receive cash dividends or dividend equivalents on PSUs.

5. PSUs may not be transferred in any manner other than by will or the laws of descent or distribution.

6. Unvested PSUs will be forfeited in the event Grantee's employment ends prior to the last day of the Performance Period, unless such termination is due to (i) death, (ii) Total Disability, (iii) Termination of Service by action of the Company without Cause, or (iv) Termination of Service on or after attainment of age sixty (60), in each case, as provided in the 2024 Plan. If the Grantee's termination occurs due to the aforementioned circumstances, then the Grantee's PSUs will be prorated based on number of full months of active service during the Performance Period and the Award will be paid the same time that it otherwise would have been paid in the calendar year following the calendar year in which the Performance Period ends. In the event of a Covered Termination (generally a Termination of Service by action of the Company without Cause or a resignation for Good Reason in each case within two (2) years following a Change in Control), all unvested PSUs will fully vest as of the date of such Covered Termination and will be paid within ninety (90) days after such Covered Termination occurs. Payment may be subject to any Release requirements described in the 2024 Plan. Any fractional PSUs will be forfeited.

7. All distributions to Grantee or to Grantee's beneficiary upon vesting of the PSUs hereunder will be subject to withholding by the 2024 Plan's third-party administrator of amounts sufficient to cover the applicable withholding obligations. In the event that any required tax withholding upon the settlement of such PSUs exceeds your other compensation due from the Company, Grantee agrees to remit to the Company, as a condition to settlement of such PSUs, such additional amounts in cash as are necessary to satisfy the required withholding. Any and all withholding obligations may be settled with shares of Common Stock.

8. A Grantee's right to receive or retain this Award, to retain any amount received pursuant to this Award (in cash or Common Stock) and, in the case of Common Stock received pursuant to this Award, to retain any profit or gain the Grantee realized in connection with this Award, shall be subject to any recoupment or "clawback" policy adopted by the Company.

9. Notwithstanding any provision of this Agreement to the contrary, if a Grantee is a specified employee (as defined in Treas. Reg. §1.409A-1(i)), any payment or benefit under this Agreement that constitutes deferred compensation subject to Code Section 409A and for which the payment event is separation from service (as defined in Treas. Reg. §1.409A-1(h)) shall not be made or provided to the Grantee before the date that is six (6) months after the date of the Grantee's separation from service. Any payment or benefit that is delayed pursuant to this paragraph shall be made or provided on the first (1^{st}) business day of the seventh (7^{th}) month following the month in which the Grantee's separation from service occurs. With respect to any cash payment delayed pursuant to this paragraph, the delayed payment shall include interest, at the Wall Street Journal Prime Rate published in the Wall Street Journal on the date of the Grantee's separation from service (or the previous business day if such date is not a business day), for the period from the date the payment would have been made but for this paragraph through the date payment is made. The provisions of this paragraph shall

apply only to the extent required to avoid a Grantee's incurrence of any additional tax or interest under Code Section 409A. To the extent any payment or benefit under the 2024 Plan constitutes deferred compensation subject to Code Section 409A, this 2024 Plan is intended to comply with Code Section 409A and shall be administered, interpreted and construed in accordance therewith to avoid the imposition of additional tax under Code Section 409A.

10. Nothing in the 2024 Plan or this Agreement will be construed as creating any right in the Grantee to continued employment or service, or as altering or amending the existing terms and conditions of the Grantee's employment or service.

11. All notices required to be given hereunder shall be mailed by registered or certified mail to the Company to the attention of its Secretary, at 901 E. Hector Street, Conshohocken, Pennsylvania 19428, and to Grantee at Grantee's address as it appears on the Company's books and records unless either of said parties has duly notified the other in writing of a change in address.

12. To the extent not preempted by Federal law, this Agreement shall be construed, administered and governed in all respects under and by the laws of the Commonwealth of Pennsylvania, without giving effect to its conflict of laws principles.

13. This Agreement contains all the understandings between the parties hereto pertaining to the matter referred to herein, and supersedes all undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto. Grantee represents that, in executing this Agreement, Grantee has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter of this Agreement.

QUAKER HOUGHTON

BY:____________

Andrew E. Tometich

Grantee represents that Grantee is familiar with the terms and provisions of the 2024 Plan, and hereby accepts this Award subject to the terms and provisions of the 2024 Plan insofar as they relate to PSUs granted thereunder. Grantee agrees hereby to accept as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions arising under the 2024 Plan or this Grant. Grantee authorizes the Company to withhold in accordance with applicable law from any compensation payable to Grantee any taxes required to be withheld by Federal, state, or local law as a result of the vesting of this Award. Grantee represents that, in executing this Agreement, Grantee has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter of this Agreement.

BY:__________

###PARTICIPANT_NAME###

Acceptance Date: ###ACCEPTANCE_DATE###

Quaker Houghton
Forward Together™

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. OMITTED INFORMATION HAS BEEN REPLACED WITH BRACKETS AND XX.

Exhibit 10.7

PERFORMANCE STOCK UNIT AWARD

The Compensation and Human Resources Committee of the Board of Directors (the "Committee") of Quaker Houghton (the "Company") has approved an award (the "Award") to **###PARTICIPANT_NAME###** (the "Grantee"), of **###TOTAL_AWARDS###** performance stock units (the "PSUs," the number of PSUs granted, the "Target PSU Award") as of **###GRANT_DATE###** (the "Grant Date") under the Quaker Houghton 2016 Long-Term Performance Incentive Plan (the "Plan") subject to achievement of the performance criteria described in this Agreement (the "Agreement"). The Award is subject to your acceptance of the terms and conditions set forth in the Agreement and in the Plan. The level of payment can range from 0% to 200% of the Target PSU Award depending on the achievement of the performance criteria. Unless otherwise defined herein, terms used in this Agreement have the meanings assigned to them in the Plan. In the event of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

1. The Award (to the extent it is vested) will be paid in the calendar year following the end of the Performance Period. The number of shares of Quaker Houghton that will be paid under the Award will be equal to the sum of (x) (i) 50% times (ii) the payout percentage for the Relative Total Shareholder Return Achievement Percentile ("Relative TSR Achievement Percentile") performance criterion times (iii) the Target PSU Award; and (y) (i) 50% times (ii) the payout percentage for the Adjusted Return on Invested Capital (ROIC) performance criterion times (iii) the Target PSU Award. .

2. The Relative TSR Achievement Percentile and the ROIC will be determined individually for each year during the three-year period from January 1, 2024 to December 31, 2026 (such three-year period, the "Performance Period") and cumulatively for the full Performance Period. The payout percentage will be determined by assigning (i) a weight of 25% for performance during each of the three years during the Performance Period (for a total weight of 75%) and (ii) a weight of 25% for the cumulative performance during the Performance Period. The payout percentages (and vesting) of the Award will be determined by the Committee in its sole discretion. The Award will become vested as of the last day of the Performance Period to the extent determined by the Committee.

Award Measure	**Weighting Percentage**	**Award Parameters as a % of Goal Board Discretion to Pay Between 0%-200%of Target**		
Relative TSR Achievement Percentile* (relative to the TSR of companies in the S&P 1500 Chemical Group)	50%	25th percentile	50th percentile	75th percentile
Payout Percentage		Payout at 50%	Payout at 100%	Payout at 200%
Adjusted Return on Invested Capital (ROIC)*	50%	[XX%]	[XX%]	[XX%]
Payout Percentage		Payout at 50%	Payout at 100%	Payout at 200%

**Award Award achievement will be determined in the sole discretion of Quaker Houghton and may include adjustments relating to (i) accounting rule changes, (ii) Board-approved strategic changes, (iii) legislation or regulations that significantly impact the business results, (iv) capital or business restructurings including mergers and acquisitions, (v) legal actions against Quaker Houghton significantly affecting operating income, (vi) translational foreign exchange, (vii) natural disasters that cause material changes in business conditions, (viii) force majeures (e.g. terrorism, acts of god, war), (ix) significant operational restructuring (e.g. major IT conversion) or (x) unexpected external landscape changes that impact Award assumptions. Quaker Houghton reserves the discretion to*

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determine the payout percentage (if any) for achievement thresholds that fall in between the thresholds described in the Table above; provided, however, that no payment will be made with respect to the Relative TSR award measure if the Relative TSR Achievement Percentile is below 25% and no payment will be made with respect to the Return on Investment Capital award measure if the Adjusted Return on Investment Capital 3-Year Average achievement percentage is less than [X.X]%

3. Grantee (or Grantee's beneficiary) will have no voting rights with respect to the PSUs.

4. Grantee will not be entitled to receive cash dividends or dividend equivalents on PSUs.

5. PSUs may not be transferred in any manner other than by will or the laws of descent or distribution.

6. Unvested PSUs will be forfeited in the event Grantee's employment ends prior to the last day of the Performance Period, unless such termination is due to (i) death, (ii) Total Disability or (iii) Termination of Service on or after attainment of age 60, in each case, as provided in the Plan. If the Grantee's termination occurs due to the aforementioned circumstances, then the Grantee's PSUs will be prorated based on number of full months of active service during the Performance Period and the Award will be paid the same time that it otherwise would have been paid.

7. All distributions to Grantee or to Grantee's beneficiary upon vesting of the PSUs hereunder will be subject to withholding by the Plan's third-party administrator of amounts sufficient to cover the applicable withholding obligations. In the event that any required tax withholding upon the settlement of such PSUs exceeds your other compensation due from the Company, Grantee agrees to remit to the Company, as a condition to settlement of such PSUs, such additional amounts in cash as are necessary to satisfy the required withholding. Any and all withholding obligations may be settled with shares of Common Stock.

8. A right to receive or retain this Award, to retain any amount received pursuant to this Award (in cash or Common Stock) and, in the case of Common Stock received pursuant to this Award, to retain any profit or gain the Grantee realized in connection with this Award, shall be subject to any recoupment or "clawback" policy adopted by the Company.

9. Nothing in the Plan or this Agreement will be construed as creating any right in the Grantee to continued employment or service, or as altering or amending the existing terms and conditions of the Grantee's employment or service.

10. All notices required to be given hereunder shall be mailed by registered or certified mail to the Company to the attention of its Secretary, at 901 E. Hector Street, Conshohocken, Pennsylvania 19428, and to Grantee at Grantee's address as it appears on the Company's books and records unless either of said parties has duly notified the other in writing of a change in address.

11. To the extent not preempted by Federal law, this Agreement shall be construed, administered and governed in all respects under and by the laws of the Commonwealth of Pennsylvania, without giving effect to its conflict of laws principles.

12. This Agreement contains all the understandings between the parties hereto pertaining to the matter referred to herein, and supersedes all undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto. Grantee represents that, in executing this Agreement, Grantee has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter of this Agreement.

QUAKER HOUGHTON

BY:____________

Andrew E. Tometich

Grantee represents that Grantee is familiar with the terms and provisions of the Plan, and hereby accepts this Award subject to the terms and provisions of the Plan insofar as they relate to PSUs granted thereunder. Grantee agrees hereby to accept as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Grant. Grantee authorizes the Company to withhold in accordance with applicable law from any compensation payable to Grantee any taxes required to be withheld by Federal, state, or local law as a result of the vesting of this Award. Grantee represents that, in executing this Agreement, Grantee has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter of this Agreement.

BY:__________

###PARTICIPANT_NAME###

Acceptance Date: ###ACCEPTANCE_DATE###

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER OF THE COMPANY PURSUANT TO RULE 13a 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Andrew E. Tometich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quaker Chemical Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2024

/s/ Andrew E. Tometich

Andrew E. Tometich
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER OF THE COMPANY PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Thomas Coler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quaker Chemical Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2024

/s/ Thomas Coler

Thomas Coler

Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned hereby certifies that the Form 10-Q Quarterly Report of Quaker Chemical Corporation (the “Company”) for the quarterly period ended June 30, 2024 filed with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2024

/s/ Andrew E. Tometich

Andrew E. Tometich

Chief Executive Officer of Quaker Chemical Corporation

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned hereby certifies that the Form 10-Q Quarterly Report of Quaker Chemical Corporation (the "Company") for the quarterly period ended June 30, 2024 filed with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2024

/s/ Thomas Coler

Thomas Coler

Chief Financial Officer of Quaker Chemical Corporation