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

SCHEDULE 13D
Under the Securities Exchange Act of 1934

Quaker Chemical Corporation

(Name of Issuer)

Common Stock, par value \$1.00

(Title of Class of Securities)

747316107

(CUSIP Number)

Gulf Hungary Holding Korlátolt Felelősségű Társaság

BAH Center

2 Furj Street

1124 Budapest, Hungary

Attention: Judit Rozsa

Telephone: +36-20/940-2900

with a copy to:

Reb D. Wheeler, Esq.

Mayer Brown LLP

1221 Avenue of the Americas

New York, New York 10020

(212) 506-2414

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

August 1, 2019

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section of the Exchange Act but shall be subject to all other provisions of the Exchange Act (however, see the Notes).

-
1. Name of Reporting Person
Gulf Hungary Holding Korlátolt Felelősségű Társaság
-
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a)
(b)
-
3. SEC Use Only:
-
4. Source of Funds (See Instructions): OO
-
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):
-
6. Citizenship or Place of Organization: Hungary
- | | |
|---|---|
| Number of Shares
Beneficially by Owned
by Each Reporting
Person With | 7. Sole Voting Power: 4,273,951 ⁽¹⁾ |
| | 8. Shared Voting Power: N/A |
| | 9. Sole Dispositive Power: 4,273,951 ⁽¹⁾ |
| | 10. Shared Dispositive Power: N/A |
-
11. Aggregate Amount Beneficially Owned by Each Reporting Person: 4,273,951⁽¹⁾
-
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares:
(See Instructions)
-
13. Percent of Class Represented by Amount in Row (11): 24.2 %⁽²⁾
-
14. Type of Reporting Person (See Instructions): OO
-

(1) Includes 369,498 shares of Common Stock beneficially owned by the Reporting Person but held in the name of Citibank N.A. pursuant to an Escrow Agreement (as defined below) in order to secure the Reporting Person's indemnification obligations under the Share Purchase Agreement (as defined below).
(2) Based upon 17,670,106 shares of Common Stock outstanding as of August 1, 2019, as certified by the Issuer to the Reporting Person on August 1, 2019.

SCHEDULE 13D

Item 1. Security and Issuer

This Schedule 13D relates to shares of common stock, \$1.00 par value per share (the “Common Stock”), issued by Quaker Chemical Corporation, a Pennsylvania corporation (the “Issuer”). The Issuer has its principal executive offices at 901 E. Hector Street, Conshohocken, PA 19428.

Item 2. Identity and Background

(a) – (c) This statement is being filed by Gulf Hungary Holding Korlátolt Felelősségű Társaság (the “Reporting Person”), a Hungarian limited liability company, with respect to the shares of Common Stock directly held by it. The Reporting Person is a limited liability company organized under the laws of Hungary with its principal business address at BAH Center, 2 Furj Street, 1124 Budapest, Hungary. The principal business of the Reporting Person is a holding company. The name, present principal employment and citizenship of each director and executive officer of the Reporting Person is set forth below.

<u>Name</u>	<u>Present Principal Employment</u>	<u>Residence or Business Address</u>	<u>Citizenship</u>
Judit Rozsa	Director of the Reporting Person and certain of its affiliates	BAH Center 2 Furj Street 1124 Budapest, Hungary	Hungary
Michael Patrick Gregory Kelleher	Director of the Reporting Person and employee of certain of its affiliates	BAH Center 2 Furj Street 1124 Budapest, Hungary	Australia

(d) – (e) Within the last five years, none of the Reporting Person or any person named above has been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors), or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

As described more fully in Item 4 below, on April 4, 2017, the Issuer entered into the Share Purchase Agreement (as defined below) with Gulf Houghton Lubricants, Ltd., an exempted company incorporated under the laws of the Cayman Islands (“Gulf Houghton”), Global Houghton Ltd., an exempted company incorporated under the laws of the Cayman Islands (“Global Houghton”), and certain members of the management of Global Houghton (collectively with Gulf Houghton, the “Sellers”) and Gulf Houghton Lubricants, Ltd., as agent for the Sellers (the “Sellers’ Representative”) pursuant to which the Issuer agreed to purchase the Shares (as defined below) of Global Houghton from the Sellers (as defined in the Share Purchase Agreement). The Closing took place on August 1, 2019 and the Shares were sold for an aggregate purchase price (subject to adjustment pursuant to the terms of the Share Purchase Agreement) consisting of: (1) \$172,500,000 in cash (which was adjusted downwards to \$170,828,827); and (2) a number of shares (the “Consideration Shares”) of Common Stock of the Issuer comprising 24.5% of the Common Stock outstanding as of the closing of the transactions contemplated by the Share Purchase Agreement (after giving effect to the issuance of the Consideration Shares). Immediately prior to the Closing, Gulf Houghton sold its right to receive its portion of the Consideration Shares to the Reporting Person. The Share Purchase Agreement is incorporated herein by reference as described in Item 7 below.

On August 1, 2019, in connection with the Closing and pursuant to the Share Purchase Agreement, certain of the Consideration Shares were placed into escrow pursuant to the terms of the Escrow Agreement (such Consideration Shares held in escrow, the “Indemnity Shares”). The Indemnity Shares are comprised of 374,272 shares of Common Stock, of which 369,498 shares of such Common Stock otherwise would be payable to the Reporting Person for the Acquisition. Depending on the determination of any potential claims for indemnification and in accordance with the applicable terms of the Share Purchase Agreement, the Indemnity Shares are to be released to either the Issuer or the Sellers (or in this case, the Reporting Person) that would otherwise have been issued such Indemnity Shares in connection with the Closing of the Acquisition. The Escrow Agreement is incorporated herein by reference as described in Item 7 below.

Item 4. Purpose of Transaction

Share Purchase Agreement

On April 4, 2017, the Issuer entered into a Share Purchase Agreement (the “Share Purchase Agreement”) with Gulf Houghton, Global Houghton, the Sellers and the Sellers’ Representative.

Upon the terms and subject to the conditions set forth in the Share Purchase Agreement, the Issuer purchased (the “Acquisition”) the entire issued and outstanding share capital (the “Shares”) of Global Houghton from the Sellers. The Shares were sold for an aggregate purchase price (subject to adjustment pursuant to the terms of the Share Purchase Agreement) consisting of: (1) \$172,500,000 in cash (which was adjusted downwards to \$170,828,827); and (2) a number of shares (the “Consideration Shares”) of Common Stock of the Issuer comprising 24.5% of the Common Stock outstanding as of immediately following the closing of the Acquisition (the “Closing”). A portion of the cash consideration and the Consideration Shares totaling in the aggregate \$100,000,000 (the “Cap”) was placed in escrow with Citibank N.A. pursuant to the terms of the Escrow Agreement (as defined below) at Closing in order to secure the Sellers’ indemnification obligations under the Share Purchase Agreement. In addition to the purchase of the shares as described above, at the Closing, the holders of certain stock options and stock appreciation rights (“SARs”) of Global Houghton surrendered their stock options and SARs for cancellation, in exchange for a portion of the cash portion of the purchase price, as described above.

Gulf Houghton and certain of its affiliates have each entered into an agreement under which they would not, subject to certain exceptions, (a) for a period of two years from the Closing, (i) own, manage, operate or control any business which competes with the Issuer (as combined with Global Houghton and including subsidiaries) or (ii) become a shareholder, partner, member or owner of any Person who is engaged in the same business as the Issuer (as combined with Global Houghton and including subsidiaries) or (b) for a period of three years, employ or solicit any employee of the Issuer or any of its subsidiaries.

Shareholder Agreement

In connection with the consummation of the transactions contemplated by the Share Purchase Agreement, the Issuer has entered into a Shareholder Agreement (the “Shareholder Agreement”) with Gulf Houghton, Gulf Oil International, Ltd., GOCL Corporation Limited, and the Reporting Person (each, a “Shareholder” and together, the “Shareholders”) in the form attached as an exhibit hereto.

Pursuant to the terms of the Share Purchase Agreement, in connection with the Closing, the Issuer has set the size of its Board of Directors (the “Board”) at 11 directors. Under the terms and subject to the conditions of the Shareholder Agreement, including qualification standards under the Issuer’s corporate governance policies and the requirements of the New York Stock Exchange, the Shareholders have the right to nominate three individuals for election to the Board (each a “Shareholder Designee”), subject to reduction if the Shareholders’ ownership percentage decreases. Each Shareholder Designee is to serve in a different class of directors and, for so long as a Shareholder Designee serves on the Board, a Shareholder Designee would have the right to be a member of each Board committee.

Under the Shareholder Agreement, the Shareholders agreed to vote all of the Consideration Shares held by them in accordance with the recommendation of the Board with regard to each slate of individuals nominated for election to the Board until the date that is six months after the first day on which no Shareholder Designee is serving on the Board (the “Governance Restricted Period”). Additionally, during the Governance Restricted Period, each Shareholder would not, except to the extent approved by the Board, directly or indirectly, participate in a hostile transaction or change in control proposal.

During the Governance Restricted Period, the Shareholders would have certain participation rights if the Issuer offers or sells any new securities, subject to customary exceptions. Other than pursuant to the foregoing participation right, however, the Shareholders may not, for a period of two years following the Closing, acquire any equity securities of the Issuer.

The Consideration Shares held by each Shareholder may not be transferred within the first six months after the Closing and transfers thereafter are subject to certain restrictions. However, beginning six months after the Closing, the Shareholders would have certain demand and piggyback registration rights, related to sales and pursuant to registration under the Securities Act of 1933.

Escrow Agreement

On August 1, 2019, in connection with the closing of the Acquisition and pursuant to the Share Purchase Agreement, the Issuer and the Sellers' Representative entered into an Escrow Agreement (the "Escrow Agreement") with Citibank, N.A., as escrow agent, pursuant to which the Indemnity Shares were deposited into an escrow account in order to provide a source of recovery with respect to the Issuer's rights to indemnification pursuant to the Share Purchase Agreement, if any, and which governs the terms by which the Indemnity Shares and any dividends or distributions with respect to the Indemnity Shares will be held in and released from escrow.

The foregoing description of the Share Purchase Agreement, the Shareholder Agreement and the Escrow Agreement, and the transactions and agreements contemplated thereby does not purport to be complete and is subject to and qualified in their entirety by the full text of the (i) Share Purchase Agreement, which is attached to the Issuer's Current Report on Form 8-K, filed on April 5, 2017, as Exhibit 10.1 thereto (Share Purchase Agreement), (ii) the Shareholder Agreement, which is attached to the Issuer's Current Report on Form 8-K, filed on August 2, 2019, as Exhibit 10.1 thereto (Shareholder Agreement) and (iii) the Escrow Agreement attached hereto as Exhibit 99.3, each of which is incorporated herein by reference.

Item 5. Interest in Securities of the Issuer

(a) – (b) The information contained on the cover pages to this Schedule 13D is incorporated herein by reference. The Common Stock reported on this Schedule 13D is held by the Reporting Person. The Reporting Person is owned by Gulf Houghton, which is a subsidiary of Gulf Oil International. Gulf Oil International is owned by Amas Holding SPF ("Amas Holding"), a private wealth holding company, which in turn is beneficially owned by multiple members of the Hinduja family, with no single individual having a beneficial interest in Amas Holding of 5% or more. Based upon 17,670,106 shares of Common Stock outstanding as of August 1, 2019, as certified by the Issuer to the Reporting Person on August 1, 2019, such Common Stock constitutes approximately 24.2% of the issued and outstanding Common Stock following the Closing.

Except for the shares of Common Stock owned by the Reporting Person, none of the Reporting Person or, to the knowledge of the Reporting Person, any of the other persons listed in Item 2(a)-(c) hereto beneficially owns any other securities of the Issuer.

(c) Except as described in Item 3, neither the Reporting Person nor, to the knowledge of the Reporting Person, any person listed in Item 2(a)-(c), have effected any transactions in the Common Stock during the past 60 days.

(d) No other person has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the securities covered by this Schedule 13D.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The information contained in Item 4 of the Schedule 13D is hereby incorporated by reference herein.

Item 7. Material to be Filed as Exhibits.

Exhibit 99.1	Share Purchase Agreement, dated April 4, 2017, among the Issuer, Gulf Houghton, Global Houghton, the Sellers and the Sellers' Representative (Incorporated by reference to Issuer's Current Report on Form 8-K, filed on April 5, 2017, as Exhibit 10.1 thereto).
Exhibit 99.2	Shareholder Agreement, dated August 1, 2019, among the Issuer, the Reporting Person, Gulf Oil International, Ltd., and GOCL Corporation Limited (Incorporated by reference to Issuer's Current Report on Form 8-K, filed on August 2, 2019, as Exhibit 10.1 thereto)
Exhibit 99.3	Escrow Agreement, dated August 1, 2019, among the Issuer, Gulf Houghton and Citibank N.A.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated August 9, 2019

**GULF HUNGARY HOLDING KORLÁTOLT FELELŐSSÉGŰ
TÁRSASÁG**

By: Rozsa Judit
Name: Rozsa Judit
Title: Managing Director

By: Michael Kelleher
Name: Michael Kelleher
Title: Director

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made and entered into as of August 1, 2019, by and among Quaker Chemical Corporation, a Pennsylvania corporation ("Buyer"), Gulf Houghton Lubricants, Ltd., as representative (the "Sellers' Representative," and together with Buyer, the "Parties" and each individually a "Party") of the former shareholders (the "Sellers"), optionholders (the "Optionholders") and holders of share appreciation rights ("SAR Holders") of Global Houghton Ltd., an exempted company incorporated under the Laws of the Cayman Islands (the "Company"); and Citibank N.A. (the "Escrow Agent"). Capitalized terms not defined herein shall have the meanings assigned to them in that certain Share Purchase Agreement, dated as of April 4, 2017 (the "Purchase Agreement"), by and among Buyer, the Company, the Sellers, the Optionholders, SAR Holders and the Sellers' Representative.

RECITALS

WHEREAS, Buyer, the Sellers, and the Sellers' Representative have entered into the Purchase Agreement providing for the sale by the Sellers, and the purchase by Buyer, of the Shares, the closing with respect to which (the "Closing") is taking place on the date hereof;

WHEREAS, the Purchase Agreement provides for the delivery of (i) an aggregate of \$29,999,907.84 in cash (the "Escrow Cash") and (ii) 374,272 shares of Buyer's Common Stock, \$1.00 par value (the "Escrow Shares") by book-entry transfer, in each case, to the Escrow Agent on the Closing Date to be held subject to and applied as set forth in this Agreement; and

WHEREAS, the Escrow Agent agrees to hold and distribute the Escrow Cash and Escrow Shares in accordance with the terms of this Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Appointment. The Parties hereby appoint the Escrow Agent as their escrow agent for the purposes set forth herein, and the Escrow Agent hereby accepts such appointment and agrees to act as escrow agent in accordance with the terms and conditions set forth herein.

2. Escrow Funds.

(a) Simultaneous with the execution and delivery of this Agreement, the Buyer is depositing with the Escrow Agent the Escrow Cash in immediately available funds and the Escrow Shares in book entry format to be held as a book entry position in the name of "Citibank N.A. as Escrow Agent for Quaker Chemical Corporation and Gulf Houghton Lubricants, Ltd." at the Buyer's transfer agent (the "Transfer Agent"). The Escrow Agent shall acknowledge receipt of the Escrow Cash and Escrow Shares, in each case, together with all products and proceeds thereof, including all interest, dividends, distributions, gains and other income (collectively, the "Escrow Earnings") earned with respect thereto (collectively, the "Escrow Funds") to be held in separate and distinct accounts (each, an "Escrow Account"), subject to the terms and conditions of this Agreement. "Escrow Cash" shall be increased by the amount of any Escrow Earnings that are cash and "Escrow Shares" shall be increased by the amount of any Escrow Earnings that are securities; provided, however, that any Escrow Earnings attributable to the Escrow Shares (i.e., dividends paid on the Escrow Shares) shall be held in a separate and distinct Escrow Account (the "Dividend Escrow Account"). The Parties acknowledge that the Escrow Shares will be held in an account at the Transfer Agent and reflected on the monthly statement for the Escrow Account as "shares held at Transfer Agent."

(b) For greater certainty, all Escrow Earnings shall be retained by the Escrow Agent and reinvested in the Escrow Funds and shall become part of the Escrow Funds; and shall be disbursed as part of the Escrow Funds in accordance with the terms and conditions of this Agreement.

(c) Subject to this Section 2(c), the Sellers' Representative shall be entitled to exercise all voting rights and all other rights with respect to such Escrow Shares other than as restricted herein. The Sellers' Representative shall have the right to direct the Escrow Agent in writing as to the exercise of any voting rights pertaining to the Escrow Shares, and the Escrow Agent shall comply with any such written instructions. In the absence of such instructions, the Escrow Agent shall not vote any of the Escrow Shares. Neither the Escrow Agent nor Sellers' Representative shall have an obligation to solicit consents or proxies from the Escrow Share Contributors for purposes of any such vote.

(d) No fractional shares of Buyer's Common Stock, \$1.00 par value, shall be retained in or released from the Escrow Account pursuant to this Agreement. In connection with any release of Escrow Shares from the Escrow Account to a particular Escrow Share Contributor, any fractions of shares below 0.5 shall be rounded down and not released to such Escrow Share Contributor, and any fractions of shares equal to or above 0.5 shall be rounded up and released to such Escrow Share Contributor (provided that the Sellers' Representative shall have the authority to effect such rounding in such a manner that the total number of whole Escrow Shares to be distributed equals the number of Escrow Shares then being distributed).

3. Investment of Escrow Funds.

(a) Unless otherwise instructed in writing by the Parties, the Escrow Agent shall invest and reinvest the Escrow Funds in an interest-bearing deposit account with an initial interest rate of 100 basis points (1.00%).

The deposits held in such deposit account are insured by the Federal Deposit Insurance Corporation ("FDIC") to the applicable limits. The Parties acknowledge that the initial interest rate is subject to change from time to time and that any such rate changes will be reflected on the monthly account statement provided to the Parties. The Escrow Funds shall at all times remain available for distribution in accordance with Section 4 below.

(b) The Escrow Agent shall send an account statement to each of the Parties on a monthly basis reflecting activity in the Escrow Account for the preceding month.

4. Disposition and Termination of the Escrow Funds.

(a) Escrow Fund. The Parties shall act in accordance with, and the Escrow Agent shall hold and release the Escrow Funds as provided in, this Section 4(a) as follows:

(i) Upon receipt of a Joint Release Instruction with respect to the Escrow Funds, the Escrow Agent shall promptly, but in any event within two (2) Business Days after receipt of a Joint Release Instruction, disburse all or part of the Escrow Funds in accordance with such Joint Release Instruction.

(ii) If at any time any of the Parties receives a Final Determination (as defined herein), then upon receipt by the Escrow Agent of a copy of such Final Determination from any Party, the Escrow Agent shall (A) promptly deliver a courtesy copy of such Final Determination to the other Party and (B) on the fifth (5th) Business Day following receipt by the Escrow Agent of the Final Determination, disburse as directed, part or all, as the case may be, of the Escrow Funds (but only to the extent funds are available in the Escrow Funds) in accordance with such Final Determination. Subject to the terms of this Section 4(a), the Escrow Agent will act on such Final Determination without further inquiry.

(iii) Except as otherwise set forth herein, all payments of any part of the Escrow Funds shall, to the extent available, be comprised of Escrow Cash and Escrow Shares in the same proportion as the Escrow Cash and Escrow Shares initially deposited into the Escrow Account as of the Closing Date, unless otherwise agreed in a Joint Release Instruction.

(iv) In the event a Joint Release Instruction is delivered to the Escrow Agent, whether in writing, by facsimile, electronic mail (“e-mail”) or otherwise, the Escrow Agent is authorized to seek confirmation of such instruction by telephone call back to the person or persons designated in Exhibits A-1 and/or A-2 annexed hereto (the “Call Back Authorized Individuals”), and the Escrow Agent may rely upon the confirmations of anyone purporting to be a Call Back Authorized Individual. To assure accuracy of the instructions it receives, the Escrow Agent may record such call backs. If the Escrow Agent is unable to verify the instructions, or is not satisfied with the verification it receives, it will not execute the instruction until all such issues have been resolved. The persons and telephone numbers for call backs may be changed only in writing actually received and acknowledged by the Escrow Agent.

(v) Within two (2) Business Days after the Escrow Step-Down Date, the Buyer and the Sellers’ Representative shall provide the Escrow Agent a Joint Release Instruction instructing the Escrow Agent (i) to remit cash (A) to a designated paying agent (the “Paying Agent”) as the Sellers’ Representative’s agent for further distribution to the Sellers and (B) to the Company for further distribution to the Optionholders and the SAR Holders, and (ii) to instruct the Transfer Agent to transfer from the Escrow Agent’s account to the accounts of the respective Escrow Share Contributors maintained by the Transfer Agent with respect to Escrow Shares, a portion of the Escrow Funds comprised of (1) half of the Escrow Cash, less the aggregate amount of the indemnifiable Losses previously paid from the Escrow Funds with Escrow Cash, less the aggregate amount of indemnifiable Losses claimed by the Buyer Indemnitees in pending claims for indemnification that as of such date potentially would be paid with Escrow Cash and (2) half of the Escrow Shares, less the aggregate amount of the indemnifiable Losses previously paid from the Escrow Funds with Escrow Shares, less the aggregate amount of indemnifiable Losses claimed by the Buyer Indemnitees in pending claims for indemnification that as of such date potentially would be paid with Escrow Shares. Any deductions from the Escrow Cash provided pursuant to the previous sentence shall be allocated proportionally (based on cash balance) between Escrow Cash (other than Escrow Cash held in the Dividend Escrow Account) and Escrow Cash held in the Dividend Escrow Account. The Paying Agent shall further distribute such Escrow Cash remitted to the Paying Agent (other than Escrow Cash held in the Dividend Escrow Account) to the Escrow Share Contributors in accordance with instructions delivered to the Paying Agent, which shall be on a pro rata basis based on the percentages set forth opposite each such Escrow Share Contributor’s name under the column “Stock Percentage” (if any) on Exhibit B hereto; the Company shall further distribute such Escrow Cash remitted to the Company to the Optionholders and the SAR Holders in accordance with instructions delivered to the Company, which shall be on a pro rata basis based on the percentages set forth opposite each such Escrow Cash Contributor’s name under the column “Cash Percentage” on Exhibit B hereto; the Paying Agent shall further distribute such Escrow Cash held in the Dividend Escrow Account to the Escrow Share Contributors in accordance with instructions delivered to the Paying Agent, which shall be on a pro rata basis based on the percentages set forth opposite each such Escrow Share Contributor’s name under the column “Stock Percentage” (if any) on Exhibit B hereto; and the Escrow Shares shall be distributed by the Transfer Agent in accordance with instructions delivered to the Transfer Agent, which shall be to the respective accounts of the Escrow Share Contributors maintained by the Transfer Agent on a pro rata basis based on the percentages set forth opposite each such Escrow Share Contributor’s name under the column “Stock Percentage” (if any) on Exhibit B hereto.

(vi) Within two (2) Business Days after the Escrow Termination Date, the Buyer and the Sellers' Representative shall provide the Escrow Agent a Joint Release Instruction instructing the Escrow Agent (i) to remit cash (A) to the Paying Agent for further distribution to the Sellers and (B) to the Company for further distribution to the Optionholders and the SAR Holders, and (ii) to instruct the Transfer Agent to transfer from the Escrow Agent's account to the respective accounts of the Escrow Share Contributors maintained by the Transfer Agent with respect to Escrow Shares, a portion of the Escrow Funds comprised of (1) the remaining Escrow Cash, less the aggregate amount of indemnifiable Losses claimed by the Buyer Indemnitees in pending claims for indemnification that as of such date potentially would be paid with Escrow Cash and (2) the remaining Escrow Shares, less the aggregate amount of indemnifiable Losses claimed by the Buyer Indemnitees in pending claims for indemnification that as of such date potentially would be paid with Escrow Shares. For the avoidance of doubt, if, on the Escrow Termination Date, there are no pending claims for indemnification, such Joint Release Instruction shall instruct the Escrow Agent (i) to remit cash (A) to the Paying Agent for further distribution to the Sellers and (B) to the Company for further distribution to the Optionholders and the SAR Holders and (ii) to instruct the Transfer Agent to transfer the remaining Escrow Shares from the Escrow Agent's account to the respective accounts of the Escrow Share Contributors maintained by the Transfer Agent. Any deductions from the Escrow Cash provided pursuant to the previous sentence shall be allocated proportionally (based on cash balance) between Escrow Cash (other than Escrow Cash held in the Dividend Escrow Account) and Escrow Cash held in the Dividend Escrow Account. The Paying Agent shall further distribute such Escrow Cash remitted to the Paying Agent (other than Escrow Cash held in the Dividend Escrow Account) to the Escrow Share Contributors in accordance with instructions delivered to the Paying Agent, which shall be on a pro rata basis based on the percentages set forth opposite each such Escrow Share Contributor's name under the column "Stock Percentage" (if any) on Exhibit B hereto; the Company shall further distribute such Escrow Cash remitted to the Company to the Optionholders and the SAR Holders in accordance with instructions delivered to the Company, which shall be on a pro rata basis based on the percentages set forth opposite each such Escrow Cash Contributor's name under the column "Cash Percentage" on Exhibit B hereto; the Paying Agent shall further distribute such Escrow Cash held in the Dividend Escrow Account to the Escrow Share Contributors in accordance with instructions delivered to the Paying Agent, which shall be on a pro rata basis based on the percentages set forth opposite each such Escrow Share Contributor's name under the column "Stock Percentage" (if any) on Exhibit B hereto; and the Escrow Shares shall be distributed by the Transfer Agent to the respective accounts of the Escrow Share Contributors maintained by the Transfer Agent in accordance with instructions delivered to the Transfer Agent, which shall be on a pro rata basis based on the percentages set forth opposite each such Escrow Share Contributor's name under the column "Stock Percentage" (if any) on Exhibit B hereto.

(vii) For purposes of this Agreement, the value of a share of Stock Consideration as of a certain date shall be equal to the volume-weighted trading average of a share of Buyer Common Stock for the ten (10) trading days prior to such date.

(viii) Any distribution of all or a portion of the Escrow Shares to be made to the Escrow Share Contributors pursuant to the terms of this Agreement, shall be made by delivery of such Escrow Shares, via book entry at Depository Trust Company or through a transfer instruction to the Transfer Agent in accordance with the applicable Joint Release Instruction. Any distributions of all or a portion of funds to be made to the Escrow Cash Contributors pursuant to the terms of this Agreement shall be made to the Paying Agent or the Company, as applicable, by wire transfer to an account specified in the applicable Joint Release Instruction.

(b) Certain Definitions.

(i) “Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are not required or authorized by law to be closed in the State of New York.

(ii) “Escrow Cash Contributors” shall refer to each Person identified on Exhibit B for which Buyer has contributed Escrow Cash on such Person’s behalf.

(iii) “Escrow Contributors” shall mean the Escrow Cash Contributors and the Escrow Share Contributors, collectively.

(iv) “Escrow Share Contributors” shall refer to each Person identified on Exhibit B for which Buyer has contributed Escrow Shares on such Person’s behalf.

(v) “Escrow Step-Down Date” shall mean the date that is twelve (12) months following the Closing Date.

(vi) “Escrow Termination Date” shall mean the date that is eighteen (18) months following the Closing Date.

(vii) “Final Determination” means a final non-appealable order of any court of competent jurisdiction which may be issued, together with (A) a certificate of the prevailing Party to the effect that such judgment is final and non-appealable and from a court of competent jurisdiction having proper authority and (B) the written payment instructions of the prevailing Party.

(viii) “Joint Release Instruction” means the joint written instruction, in the form of Exhibit C attached hereto, of the Sellers’ Representative and the Buyer, which is executed by the Sellers’ Representative and the Buyer, to the Escrow Agent directing the Escrow Agent to disburse all or a portion of the Escrow Funds, as applicable.

(ix) “Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Authority or any department, agency or political subdivision thereof.

5. Escrow Agent. The Escrow Agent undertakes to perform only such duties as are expressly set forth herein, which shall be deemed purely ministerial in nature, and no duties, including but not limited to any fiduciary duties, shall be implied. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument or document between the Parties, in connection herewith, if any, including without limitation the Purchase Agreement, nor shall the Escrow Agent be required to determine if any Person has complied with any such agreements, nor shall any additional obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. The Escrow Agent may rely upon and shall not be liable for acting or refraining from acting upon any Joint Release Instruction or Final Determination furnished to it hereunder and believed by it to be genuine and to have been signed and presented by the proper Party or Parties. Concurrent with the execution of this Agreement, the Parties shall deliver to the Escrow Agent authorized signers’ forms in the form of Exhibit A-1 and Exhibit A-2 attached hereto. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Escrow Agent shall have no duty to solicit any payments which may be due it or the Escrow Funds. In the event that the Escrow Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in a Joint Release Instruction or Final Determination. The Escrow Agent may interplead all of the assets held hereunder into a court of competent jurisdiction (as set forth in Section 13) or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or nonaction based on such declaratory judgment. The Escrow Agent may consult with legal counsel of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions hereof or its duties hereunder. The Escrow Agent shall have no liability or obligation with respect to the Escrow Funds except for the Escrow Agent’s fraud, willful misconduct or gross negligence. To the extent practicable, the Parties agree to pursue any redress or recourse in connection with any dispute (other than with respect to a dispute involving the Escrow Agent) without making the Escrow Agent a party to the same. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for any special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

6. Resignation and Removal of Escrow Agent. The Escrow Agent (a) may resign and be discharged from its duties or obligations hereunder by giving thirty (30) calendar days advance notice in writing of such resignation to the Parties specifying a date when such resignation shall take effect or (b) may be removed, with or without cause, by the Sellers' Representative and the Buyer acting jointly at any time by providing written notice to the Escrow Agent. Any corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the escrow business of the Escrow Agent's line of business may be transferred, shall be the Escrow Agent under this Agreement without further act. The Escrow Agent's sole responsibility after such thirty (30) day notice period expires or after receipt of written notice of removal shall be to hold and safeguard the Escrow Funds (without any obligation to reinvest the same) and to deliver the same (i) to a substitute or successor escrow agent pursuant to a joint written designation from the Parties, (ii) as set forth in a Joint Release Instruction or (iii) in accordance with the directions of a Final Determination, at which time of delivery Escrow Agent's obligations hereunder shall cease and terminate. In the event the Escrow Agent resigns, if the Parties have failed to appoint a successor escrow agent prior to the expiration of thirty (30) calendar days following receipt of the notice of resignation, the Escrow Agent may petition any court of competent jurisdiction for the appointment of such a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon all of the parties hereto.

7. Fees and Expenses. All fees and expenses of the Escrow Agent are described in Schedule 1 attached hereto and shall be paid one-half by the Buyer and one-half by the Sellers' Representative (on behalf of the Escrow Contributors). The fees agreed upon for the services to be rendered hereunder are intended as full compensation for the Escrow Agent services as contemplated by this Agreement; provided, however, that in the event that the conditions for the disbursement of funds or shares under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any assignment of interest in the subject matter of the Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to the Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all reasonable and documented out-of-pocket costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event.

8. Indemnity. Each of the Parties shall jointly and severally indemnify, defend and save harmless the Escrow Agent and its affiliates and their respective successors, assigns, directors, officers, agents and employees (the “Indemnitees”) from and against any and all losses, damages, claims, liabilities, penalties, judgments, settlements, actions, suits, proceedings, litigation, investigations, costs or expenses (including the reasonable fees and expenses of one outside counsel and experts and their staffs and all expense of document location, duplication and shipment) (collectively “Escrow Agent Losses”) arising out of or in connection with (a) the Escrow Agent’s execution and performance of this Agreement, tax reporting or withholding, the enforcement of any rights or remedies under or in connection with this Agreement, or as may arise by reason of any act, omission or error of the Indemnitee, except to the extent that such Escrow Agent Losses have been caused by the fraud, gross negligence or willful misconduct of Escrow Agent or any such Indemnitee or by the failure of the Escrow Agent to comply with Section 9, or (b) its following any instructions or other directions from the Sellers’ Representative or the Buyer. The Parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement. The Parties hereby grant the Escrow Agent a lien on, right of set-off against and security interest in, the Escrow Funds for the payment of any reasonable and documented claim for indemnification, out-of-pocket expenses and amounts due hereunder. In furtherance of the foregoing, the Escrow Agent is expressly authorized and directed, but shall not be obligated, upon prior written notice to the Parties, to charge against and withdraw from the Escrow Funds for its own account or for the account of an indemnitee any amounts due to the Escrow Agent or to an indemnitee under this Section 8. Notwithstanding anything to the contrary herein, the Sellers’ Representative (on behalf of the Escrow Contributors) and the Buyer agree, solely as between themselves, that any obligation for indemnification under this Section 8 (or for reasonable fees and expenses of the Escrow Agent described in Section 7) shall be borne by the party or parties determined by a court of competent jurisdiction to be responsible for causing the loss, damage, liability, cost or expense against which the Escrow Agent is entitled to indemnification or, if no such determination is made, then one-half by the Sellers’ Representative (on behalf of the Escrow Contributors) and one-half by the Buyer. The provisions of this Section 8 shall survive the resignation or removal of the Escrow Agent and the termination of this Agreement.

9. Tax Matters.

(a) The Escrow Contributors shall each be responsible for and the taxpayer on all taxes due on their share of the dividends, interest or income earned on the Escrow Funds for the calendar year in which such interest or income is earned, based on their share of such dividends, interest and income as set forth on Exhibit B. Prior to the date hereof, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 as applicable and such other forms and documents that the Escrow Agent may request with respect to each Escrow Contributor. For the sake of clarity, the Escrow Agent will issue (1) a 1099-INT for interest earned on the Escrow Cash to each Escrow Cash Contributor in accordance with their pro-rata percentage stated on Exhibit B, (2) a 1099-DIV for dividends paid on the Escrow Shares to each Escrow Share Contributor in accordance with their pro-rata percentage stated on Exhibit B and (3) a 1099-INT for interest earned on dividends deposited to the Dividend Escrow Account to each Escrow Share Contributor in accordance with their pro-rata percentage stated on Exhibit B.

(b) The Escrow Agent shall be responsible only for income reporting to the Internal Revenue Service with respect to income earned on the Escrow Funds. The Escrow Agent shall withhold any taxes required to be withheld by applicable law, including but not limited to required withholding in the absence of proper tax documentation, and shall remit such taxes to the appropriate authorities. Other than in connection with any required withholding and information reporting, the Parties acknowledge and agree that the Escrow Agent shall have no responsibility for the preparation and/or filing of any tax return with respect to the Escrow Funds or any income earned by the Escrow Funds.

(c) Should the Escrow Agent be engaged to perform annual tax information reporting for principal payments, all such reporting will be completed at the written direction of Buyer, such that Buyer shall continue to be identified as payor and withholding agent. The Escrow Agent will, in accordance with Buyer's written instructions, file, print and mail information returns to persons or entities receiving disbursements pursuant to the Agreement and transmit withholding amounts as directed by Buyer.

(d) The Escrow Agent, its affiliates, and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Citigroup, Inc. and its affiliates. The Escrow Agreement and any amendments or attachments are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer or for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

10. Covenant of Escrow Agent. The Escrow Agent hereby agrees and covenants with the Sellers' Representative and the Buyer that it shall perform all of its obligations under this Agreement and shall not deliver custody or possession of any of the Escrow Funds to anyone except pursuant to the express terms of this Agreement or as otherwise required by law.

11. Notices. All notices, requests, demands and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) on the day of transmission if sent by electronic mail ("e-mail") with a PDF attachment executed by an authorized signer of the Party/ Parties to the e-mail address given below, and written confirmation of receipt is obtained promptly after completion of the transmission, (iv) by overnight delivery with a reputable national overnight delivery service, or (v) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five Business Days after the date such notice is deposited with the United States Postal Service. If notice is given to a Party, it shall be given at the address for such Party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party in writing of any name or address changes.

if to the Sellers' Representative, then to:

Gulf Houghton Lubricants Ltd.
Whitehall House, 238 North Church Street, P.O. Box 1043, George Town Grand Cayman
KY1-1102 Cayman Islands
Facsimile: (305) 675-2619
Email Address: Sandra@accla.im
Attention: Sandra Georgeson

with a copy (which shall not constitute notice) to:

Mayer Brown LLP
1221 Avenue of the Americas
New York, New York 10020
Facsimile: (212) 849-5914
E-mail: rwheeler@mayerbrown.com
Attention: Reb D. Wheeler

or, if to the Buyer, then to:

Quaker Chemical Company
One Quaker Park
901 E. Hector Street
Conshohocken, PA 19428-2380
Facsimile: (610) 832-4496
E-mail: traubr@quakerchem.com
Attention: Robert T. Traub

with a copy (which shall not constitute notice) to:

Drinker, Biddle & Reath LLP
One Logan Square
Suite 2000
Philadelphia, Pennsylvania 19103
Facsimile: (215) 988-2757
E-mail: Douglas.Raymond@dbr.com
Attention: F. Douglas Raymond, III

or, if to the Escrow Agent, then to:

Citibank, N.A.
c/o Citi Private Bank
Citibank, N.A
388 Greenwich Street, 29th Floor
New York, NY 10013
Facsimile: (212) 783-7131
E-mail: john.p.howard@citi.com
Attention: John P. Howard

Notwithstanding the above, in the case of communications delivered to the Escrow Agent pursuant to the foregoing clause (iv) or (v) of this Section 11, such communications shall be deemed to have been given on the date received by the Escrow Agent. In the event that the Escrow Agent, in its sole discretion, shall determine that an emergency exists, the Escrow Agent may use such other means of communication as the Escrow Agent deems appropriate.

12. Termination. This Agreement shall terminate on the first to occur of (a) the distribution of all of the amounts and shares in the Escrow Funds in accordance with this Agreement or (b) delivery to the Escrow Agent of a written notice of termination executed jointly by the Buyer and the Sellers' Representative after which this Agreement shall be of no further force and effect except that the provisions of Section 8 hereof shall survive termination.

13. Miscellaneous. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the parties hereto. Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any party, except as provided in Sections 6 and 16, without the prior written consent of the other parties. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF. IN THE EVENT ANY PARTY TO THIS AGREEMENT COMMENCES ANY LITIGATION, PROCEEDING OR OTHER LEGAL ACTION IN CONNECTION WITH OR RELATING TO THIS AGREEMENT OR ANY MATTERS DESCRIBED OR CONTEMPLATED HEREIN, WITH RESPECT TO ANY OF THE MATTERS DESCRIBED OR CONTEMPLATED HEREIN, THE PARTIES TO THIS AGREEMENT HEREBY (A) AGREE THAT ANY LITIGATION, PROCEEDING OR OTHER LEGAL ACTION SHALL BE INSTITUTED IN A COURT OF COMPETENT JURISDICTION LOCATED IN NEW YORK COUNTY, NEW YORK, WHETHER A STATE OR FEDERAL COURT; (B) AGREE THAT IN THE EVENT OF ANY SUCH LITIGATION, PROCEEDING OR ACTION, SUCH PARTIES WILL CONSENT AND SUBMIT TO PERSONAL JURISDICTION IN ANY SUCH COURT DESCRIBED IN CLAUSE (A) OF THIS SECTION 13 AND TO SERVICE OF PROCESS UPON THEM IN ACCORDANCE WITH THE RULES AND STATUTES GOVERNING SERVICE OF PROCESS (IT BEING UNDERSTOOD THAT NOTHING IN THIS SECTION 13 SHALL BE DEEMED TO PREVENT ANY PARTY FROM SEEKING TO REMOVE ANY ACTION TO A FEDERAL COURT IN NEW YORK COUNTY, NEW YORK); (C) AGREE TO WAIVE TO THE FULL EXTENT PERMITTED BY LAW ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH LITIGATION, PROCEEDING OR ACTION IN ANY SUCH COURT OR THAT ANY SUCH LITIGATION, PROCEEDING OR ACTION WAS BROUGHT IN AN INCONVENIENT FORUM; (D) AGREE AS AN ALTERNATIVE METHOD OF SERVICE TO SERVICE OF PROCESS IN ANY LEGAL PROCEEDING BY MAILING OF COPIES THEREOF TO SUCH PARTY AT ITS ADDRESS SET FORTH IN SECTION 11 FOR COMMUNICATIONS TO SUCH PARTY; (E) AGREE THAT ANY SERVICE MADE AS PROVIDED HEREIN SHALL BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (F) AGREE THAT NOTHING HEREIN SHALL AFFECT THE RIGHTS OF ANY PARTY TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the parties to this Agreement may be transmitted by facsimile or electronic transmission in portable document format (.pdf), and such facsimile or .pdf will, for all purposes, be deemed to be the original signature of such party whose signature it reproduces, and will be binding upon such party. If any provision of this Agreement is determined to be prohibited or unenforceable by reason of any applicable law of a jurisdiction, then such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. The Parties represent, warrant and covenant that each document, notice, instruction or request provided by such Party to Escrow Agent shall comply with applicable laws and regulations. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby irrevocably waived by the parties hereto to the fullest extent permitted by law, to the end that this Agreement shall be enforced as written. Except as expressly provided in Sections 7 and 8, nothing in this Agreement, whether express or implied, shall be construed to give to any person or entity other than the Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of this Agreement or any funds escrowed hereunder. For the avoidance of doubt, the Parties, solely as between themselves, agree and acknowledge that (i) until amounts from the Escrow Funds are actually distributed to them, the right to payment of each "Optionholder and "SAR Holder (each as defined in the Share Purchase Agreement) under this Agreement is that of a mere, unsecured creditor, and no Optionholder or SAR Holder shall acquire or be deemed to have acquired any legal, equitable, or beneficial right, interest or claim in the Escrow Funds as a result of this Agreement; (ii) clause (i) of this sentence shall be interpreted in a manner consistent with the creation of a grantor trust, as described in Rev. Proc. 92-65; and (iii) this Section 13 shall not supersede or amend Section 11.10 of the Purchase Agreement, which shall remain in full force and effect.

14. Compliance with Court Orders. In the event that any escrow property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other Person, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

15. Further Assurances. Following the date hereof, each party shall deliver to the other parties such further information and documents and shall execute and deliver to the other parties such further instruments and agreements as any other party shall reasonably request to consummate or confirm the transactions provided for herein, to accomplish the purpose hereof or to assure to any other party the benefits hereof.

16. Assignment. No assignment of the interest of any of the Parties hereto shall be binding upon the Escrow Agent unless and until written notice of such assignment shall be filed with and consented to by the Escrow Agent (such consent not to be unreasonably withheld). To comply with Federal law including USA Patriot Act requirements, the assigning Party shall cause its assignee(s) to, and its assignee(s) shall provide to the Escrow Agent the appropriate form W-9 or W-8 as applicable and such other forms and documentation that the Escrow Agent may request to verify identification and authorization to act. Notwithstanding the foregoing, the Buyer may, without prior written consent of the Escrow Agent, assign all or a portion of its rights, interests or obligations hereunder to one or more of its affiliates or one or more entities managed by one of its affiliates, provided that no such assignment shall relieve Buyer of any obligation hereunder except to the extent actually performed or satisfied by the assignee, and the Buyer shall be required to notify the Escrow Agent of such assignment as described above. Any Seller may, without prior written consent of the Escrow Agent, assign all or a portion of its rights, interests or obligations hereunder to one or more of its affiliates or one or more entities managed by one of its affiliates, provided that no such assignment shall relieve such Seller of any obligation hereunder or in the Purchase Agreement except to the extent actually performed or satisfied by the assignee, and the Sellers' Representative shall be required to notify the Escrow Agent of such assignment as described above.

17. Force Majeure. The Escrow Agent shall not incur any liability for not performing any act or fulfilling any obligation hereunder by reason of any occurrence beyond its control (including, but not limited to, any provision of any present or future law or regulation or any act of any governmental authority, any act of God or war or terrorism, or the unavailability of the Federal Reserve Bank wire services or any electronic communication facility), it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

19. Compliance with Federal Law. To help the U.S. Government fight the funding of terrorism and money laundering activities and to comply with Federal law requiring financial institutions to obtain, verify and record information on the source of funds deposited to an account, the Parties hereto agree to provide the Escrow Agent with the name, address, taxpayer identification number, and remitting bank for all Parties depositing funds a Citibank pursuant to the terms and conditions of this Escrow Agreement. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

20. Use of Citibank Name. No publicly distributed printed or other material in any language, including prospectuses, notices, reports, and promotional material which mentions "Citibank" by name or the rights, powers, or duties of the Escrow Agent under this Agreement shall be issued by any other parties hereto, or on such party's behalf, without the prior written consent of the Escrow Agent.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date set forth above.

BUYER:

QUAKER CHEMICAL CORPORATION

By: /s/Robert T. Traub

Name: Robert T. Traub

Title: Vice President, General Counsel and Corporate Secretary

SELLERS' REPRESENTATIVE:

GULF HOUGHTON LUBRICANTS, LTD.

By: /s/ Sandra Georgeson

Name: Sandra Georgeson

Title: Director

ESCROW AGENT:

CITIBANK, N.A.

By: /s/ John P. Howard

Name: John P. Howard

Title: Director
