

**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 March 31, 2025

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
(State or other jurisdiction of incorporation or organization)

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

**901 E. Hector Street,
Conshohocken, Pennsylvania**
(Address of principal executive offices)

19428 – 2380
(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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 April 28, 2025

17,680,655

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	
	March 31,	
	2025	2024
Net sales	\$ 442,914	\$ 469,759
Cost of goods sold (excluding amortization expense - See Note 13)	281,654	288,196
Gross profit	161,260	181,563
Selling, general and administrative expenses	119,046	124,180
Restructuring and related charges, net	14,590	1,857
Operating income	27,624	55,526
Other income (expense), net	(709)	1,080
Interest expense	(9,545)	(10,824)
Income before taxes and equity in net income of associated companies	17,370	45,782
Taxes on income before equity in net income of associated companies	7,542	12,508
Income before equity in net income of associated companies	9,828	33,274
Equity in net income of associated companies	3,089	1,984
Net income	12,917	35,258
Less: Net income (loss) attributable to noncontrolling interest	(5)	31
Net income attributable to Quaker Chemical Corporation	\$ 12,922	\$ 35,227
Per share data:		
Net income attributable to Quaker Chemical Corporation common shareholders – basic	\$ 0.73	\$ 1.96
Net income attributable to Quaker Chemical Corporation common shareholders – diluted	\$ 0.73	\$ 1.95
Dividends declared	\$ 0.485	\$ 0.455

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 March 31,	
	2025	2024
Net income	\$ 12,917	\$ 35,258
Other comprehensive income (loss), net of tax		
Currency translation adjustments	27,129	(25,389)
Defined benefit retirement plans	(265)	354
Current period change in fair value of derivatives	(592)	2,345
Unrealized (loss) gain on available-for-sale securities	(304)	45
Other comprehensive income (loss)	25,968	(22,645)
Comprehensive income	38,885	12,613
Less: Comprehensive income attributable to noncontrolling interest	1	42
Comprehensive income attributable to Quaker Chemical Corporation	\$ 38,886	\$ 12,655

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)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 186,223	\$ 188,880
Accounts receivable, net	418,659	400,126
Inventories		
Raw materials and supplies	116,953	112,457
Work-in-process and finished goods	129,169	115,015
Prepaid expenses and other current assets	61,417	59,939
Total current assets	912,421	876,417
Property, plant and equipment, at cost	496,185	483,033
Less: Accumulated depreciation	(263,716)	(253,501)
Property, plant and equipment, net	232,469	229,532
Right-of-use lease assets	36,122	34,120
Goodwill	524,667	518,894
Other intangible assets, net	830,270	827,098
Investments in associated companies	101,182	98,012
Deferred tax assets	9,443	9,216
Other non-current assets	17,855	17,360
Total assets	\$ 2,664,429	\$ 2,610,649
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ 37,292	\$ 37,554
Accounts payable	199,430	198,137
Dividends payable	8,575	8,572
Accrued compensation	28,706	50,212
Accrued restructuring	7,159	2,297
Accrued pension and postretirement benefits	2,228	2,328
Other accrued liabilities	89,436	80,668
Total current liabilities	372,826	379,768
Long-term debt	698,768	669,614
Long-term lease liabilities	21,130	20,028
Deferred tax liabilities	136,593	138,828
Non-current accrued pension and postretirement benefits	24,062	23,783
Other non-current liabilities	24,550	24,445
Total liabilities	1,277,929	1,256,466
Commitments and contingencies (Note 18)		
Equity		
Common stock \$1 par value; authorized 30,000,000 shares; issued and outstanding		
March 31, 2025 – 17,680,380 shares; December 31, 2024 – 17,673,607 shares	17,680	17,674
Capital in excess of par value	905,781	903,781
Retained earnings	638,079	633,731
Accumulated other comprehensive loss	(175,655)	(201,619)
Total Quaker shareholders' equity	1,385,885	1,353,567
Noncontrolling interest	615	616
Total equity	1,386,500	1,354,183
Total liabilities and equity	\$ 2,664,429	\$ 2,610,649

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)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 12,917	\$ 35,258
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,599	20,802
Equity in undistributed earnings of associated companies, net of dividends	(2,769)	(1,675)
Deferred income taxes	(3,340)	3,167
Share-based compensation	3,182	3,884
Restructuring and related charges, net	14,590	1,857
(Gain) loss on disposal of property, plant and equipment and other assets	(2,148)	—
Other adjustments	2,190	(2,797)
Increase (decrease) in cash from changes in current assets and current liabilities, net of acquisitions:		
Accounts receivable	(10,302)	1,431
Inventories	(13,457)	(6,576)
Prepaid expenses and other current assets	245	(1,054)
Accrued restructuring	(9,045)	(3,666)
Accounts payable and accrued liabilities	(15,712)	(23,400)
Net cash (used in) provided by operating activities	<u>(3,050)</u>	<u>27,231</u>
Cash flows from investing activities		
Investments in property, plant and equipment	(12,329)	(4,460)
Payments related to acquisitions, net of cash acquired	(3,983)	(24,899)
Proceeds from disposition of assets	2,900	58
Net cash used in investing activities	<u>(13,412)</u>	<u>(29,301)</u>
Cash flows from financing activities		
Payments of long-term debt	(8,523)	(4,711)
Borrowings on revolving credit facilities, net	30,000	20,902
Payments on other debt, net	(773)	—
Dividends paid	(8,572)	(8,186)
Other stock related activity	(1,176)	(1,442)
Net cash provided by financing activities	<u>10,956</u>	<u>6,563</u>
Effect of foreign exchange rate changes on cash	2,849	(3,270)
Net (decrease) increase in cash and cash equivalents	<u>(2,657)</u>	<u>1,223</u>
Cash and cash equivalents at the beginning of the period	188,880	194,527
Cash and cash equivalents at the end of the period	<u>\$ 186,223</u>	<u>\$ 195,750</u>
Supplemental cash flow disclosures:		
Non-cash activities:		
Change in accrued purchases of property, plant and equipment, net	\$ (7,105)	\$ 289

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, 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, net	(2)	2,445	—	—	—	2,443
Balance as of March 31, 2024	\$ 17,990	\$ 942,546	\$ 577,682	\$ (146,987)	\$ 561	\$ 1,391,792
Balance as of December 31, 2024	\$ 17,674	\$ 903,781	\$ 633,731	\$ (201,619)	\$ 616	\$ 1,354,183
Net income	—	—	12,922	—	(5)	12,917
Amounts reported in other comprehensive income	—	—	—	25,964	4	25,968
Dividends (\$0.485 per share)	—	—	(8,574)	—	—	(8,574)
Share issuance and equity-based compensation plans, net	6	2,000	—	—	—	2,006
Balance as of March 31, 2025	\$ 17,680	\$ 905,781	\$ 638,079	\$ (175,655)	\$ 615	\$ 1,386,500

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)

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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 March 31, 2025 (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 three months ended March 31, 2025 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, 2024 (the “2024 Form 10-K”). Certain prior year amounts in the Condensed Consolidated Statements of Cash Flows have been reclassified to conform to the current year presentation.

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, can, 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 months ended March 31, 2025, the Company’s Argentine and Turkish subsidiaries together represented approximately 1% and 2% of the Company’s consolidated total assets and net sales, respectively. During the three months ended March 31, 2025 and March 31, 2024, the Company recorded \$0.5 million of remeasurement losses and \$0.9 million of remeasurement gains associated with the applicable currency conversions, respectively. These losses and gains were recorded within Other income (expense), net, in the Company’s Condensed Consolidated Statements of Operations.

Note 2 – Business Acquisitions*Recent Acquisition Activity*

Subsequent to the date of this Report, in April 2025, the Company acquired Dipsol Chemicals Co., Ltd., (“Dipsol”) for cash consideration of approximately \$187.0 million (27.7 billion JPY), which included approximately \$31.8 million (4.7 billion JPY) acquired cash for a net purchase price of approximately \$155.2 million (23.0 billion JPY). The acquisition is subject to routine and customary post-closing adjustments. The Company funded the acquisition purchase price with borrowings under its existing credit facility. Dipsol is headquartered in Japan and is a leading supplier of surface treatment and plating solutions and services primarily for the automotive and other industrial applications end markets. Dipsol has operations in several countries and these operations will be reported within the Company’s respective Americas, EMEA, and Asia/Pacific segments. This acquisition expands the Company’s advanced solutions businesses in attractive end markets with solid growth characteristics and high barriers to entry. Dipsol also provides significant cross-selling opportunities and enhances the Company’s ability to meet and exceed the needs of our customers across the globe. Due to the timing of the acquisition, as of the date of issuance of these Condensed Consolidated Financial Statements, the Company is not yet able to provide the amounts recognized as of the acquisition date for major classes of Dipsol assets acquired and liabilities assumed.

Subsequent to the date of this Report, in April 2025, the Company acquired Natech, Ltd., (“Natech”) for approximately \$6.5 million, which includes an initial cash payment of \$6.0 million and a deferred payment of \$0.5 million, subject to routine and customary post-closing adjustments. Assets acquired included cash and cash equivalents of \$1.5 million. Natech is based in the United Kingdom and is a manufacturer of surface treatment chemicals for a variety of industrial applications. Natech will be reported as part of the EMEA reportable segment. This acquisition strengthens Quaker Houghton’s overall surface treatment product and application capabilities within Europe. Due to the timing of the acquisition, as of the date of issuance of these Condensed Consolidated Financial

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

Statements, the Company is not yet able to provide the amounts recognized as of the acquisition date for major classes of Natech assets acquired and liabilities assumed.

In February 2025, the Company acquired Chemical Solutions & Innovations (Pty) Ltd. (“CSI”), for approximately \$3.9 million, subject to routine and customary post-closing adjustments. CSI is based in South Africa and is a supplier of metalworking fluids and lubricants to the South African market. CSI is reported as part of the EMEA reportable segment. This acquisition strengthens Quaker Houghton’s position in South Africa and expands the Company’s presence in that region. The Company allocated \$1.4 million of the purchase price to intangible assets and recognized \$1.7 million of goodwill in the EMEA segment, none of which is deductible for tax purposes. The goodwill is primarily attributable to expected growth synergies. As of March 31, 2025, the allocation of the purchase price has not been finalized.

Previous Acquisitions

In July 2024, the Company acquired the Sutai Group (“Sutai”), for approximately \$16.2 million, including an initial cash payment of \$14.6 million, subject to routine and customary post-closing adjustments related to working capital and net indebtedness levels, as well as earn-out provisions with an initial estimated payout of \$1.6 million related to the finalization of 2024 and 2025 earnings. Assets acquired included cash and cash equivalents of \$5.5 million. As of March 31, 2025, the Company has remaining earnout liabilities recorded on its Condensed Consolidated Balance Sheet of \$0.8 million which we expect to settle by the end 2025. Sutai is based in Japan and provides impregnation treatment products and services to the automotive and other industries. Sutai is reported as part of the Asia/Pacific 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. The Company allocated \$3.1 million of the purchase price to intangible assets and recognized \$5.5 million of goodwill in the Asia/Pacific segment, none of which is deductible for tax purposes. During the first quarter of 2025, the Company finalized the working capital settlements for an immaterial amount which impacted the residual goodwill recorded. The goodwill is primarily attributable to expected growth synergies. As of March 31, 2025, the allocation of the purchase price has not been finalized.

During February 2024, the Company acquired I.K.V. Tribologie IKVT and its subsidiaries (“IKV”) for \$35.2 million, including an initial cash payment of \$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 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 is primarily attributable to expected cost and growth synergies. In July 2024, the 2023 earnings were finalized and the Company made a payment of \$5.5 million in connection with the post-closing adjustments and earn-out provision. As of March 31, 2025, the allocation of the purchase price has been finalized.

The results of operations of CSI, Sutai and IKV subsequent to the acquisition dates are included in the unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2025.

During the three months ended March 31, 2025 and 2024, the Company recognized \$3.3 million and \$0.3 million, respectively, of acquisition-related expenses including legal, financial, consulting and other costs. These costs are included in Selling, general and administrative expenses (“SG&A”) in the Condensed Consolidated Statements of Operations.

Note 3 – Recently Issued Accounting Standards

Recently Adopted Accounting Standards

The Company adopted Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* for the 2024 Form 10-K and this Report. This ASU expands 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 (“CODM”) and included in the reported measure of segment profit or loss. The Company disclosed that the CODM, who is our Chief Executive Officer, assesses segment performance and makes decisions about allocating resources to its operating segments using segment operating earnings. Based on the Company’s assessment, the Company determined that product costs are significant segment expenses that are regularly provided to the CODM and included in segment operating earnings. The Company disclosed product costs and other operating expenses included in segment operating earnings by reportable segment. See Note 4, *Business Segments*, for additional information.

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

Recently Issued Accounting Standards Not Yet Adopted

The FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* in December 2023. This ASU requires public business entities (“PBEs”) 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, requiring greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a specified threshold. The ASU also requires PBEs to disclose income taxes paid disaggregated by federal, state, and foreign taxes. Further disaggregation is also required in jurisdictions where income taxes paid exceeds a certain 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 condensed consolidated financial statements.

The FASB issued ASU 2024-03, *Income Statement- Reporting Comprehensive Income- Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* in November 2024. This ASU requires PBEs to disclose, in interim and annual reporting periods, additional information about certain expenses in the notes to the financial statements, including disclosing the amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization in each relevant expense caption. It also requires PBEs to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively and to disclose the total amount of selling expenses, and in the annual reporting periods, an entity’s definition of selling expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the disclosure requirements of this standard and the impact on its condensed 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 and the manner by which the CODM, which is the Company’s Chief Executive Officer, allocates resources and assesses performance.

The CODM evaluates performance for the Company’s operating segments based on segment operating earnings. Segment operating earnings for each of the Company’s reportable segments are comprised of the segment’s net sales less directly related product costs and other operating expenses. Operating expenses not directly attributable to the net sales of each respective segment, such as certain corporate and administrative costs and restructuring charges, are not included in segment operating earnings. Other items not specifically identified with the Company’s reportable segments include Interest expense and Other income (expense), net.

The CODM uses segment operating earnings to allocate resources for each segment predominantly in the annual budget and forecasting process. The CODM considers budget-to-actual variances on a monthly basis for segment operating earnings when making decisions about allocating capital and personnel to the segments. The CODM also uses segment operating earnings to assess the performance for each segment and in the compensation of certain employees.

Segment asset information is not regularly provided to or reviewed by the CODM. Therefore, the Company did not disclose segment asset information for each reportable segment.

Quaker Chemical Corporation
Notes to Condensed Consolidated Financial Statements - Continued
(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 for the three months ended March 31, 2025 and 2024:

	Americas	EMEA	Asia/Pacific	Totals
Three Months Ended March 31, 2025				
Net sales	\$ 213,711	\$ 129,278	\$ 99,925	\$ 442,914
Significant segment expenses				
Product costs ⁽¹⁾	104,505	70,102	53,098	227,705
Other operating expenses ⁽²⁾	50,744	35,783	20,897	107,424
Segment operating earnings	\$ 58,462	\$ 23,393	\$ 25,930	\$ 107,785
Three Months Ended March 31, 2024				
Net sales	\$ 229,754	\$ 138,422	\$ 101,583	\$ 469,759
Significant segment expenses				
Product costs ⁽¹⁾	111,075	71,372	51,375	233,822
Other operating expenses ⁽²⁾	51,909	37,479	19,831	109,219
Segment operating earnings	\$ 66,770	\$ 29,571	\$ 30,377	\$ 126,718

⁽¹⁾ Product costs include the costs of raw materials and are recorded in Cost of goods sold in the Company's Consolidated Statements of Operations.

⁽²⁾ Other operating expenses include overhead costs of operating the Company's production facilities and providing chemical management services to customers and direct SG&A.

The following table presents a reconciliation of the Company's segment operating earnings to income before taxes and equity in net income of associated companies in the Company's Consolidated Statements of Operations for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
Segment operating earnings	\$ 107,785	\$ 126,718
Restructuring and related charges, net	(14,590)	(1,857)
Non-operating and administrative expenses	(50,717)	(54,177)
Depreciation of corporate assets and amortization	(14,854)	(15,158)
Operating income	27,624	55,526
Other income (expense), net	(709)	1,080
Interest expense	(9,545)	(10,824)
Income before taxes and equity in net income of associated companies	\$ 17,370	\$ 45,782

The following table presents information regarding the Company's reportable segments' depreciation for the three months ended March 31, 2025 and 2024:

Depreciation	Three Months Ended March 31,	
	2025	2024
Americas	\$ 2,655	\$ 2,775
EMEA	1,877	1,847
Asia/Pacific	1,213	1,022
Total segment depreciation	\$ 5,745	\$ 5,644

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

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 \$17.6 million and \$19.8 million for the three months ended March 31, 2025 and 2024, 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, automotive, aerospace, industrial and agricultural equipment, and durable goods. As previously disclosed in the Company's 2024 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 2024, 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 March 31, 2025 or December 31, 2024.

The Company had approximately \$2.5 million and \$4.2 million of deferred revenue as of March 31, 2025 and December 31, 2024, respectively. For the three months ended March 31, 2025, 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, 2024.

Disaggregated Revenue

The Company sells its industrial process fluids, specialty chemicals and 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 reportable segments, and in most cases, are approximately proportionate to the level of total sales in each reportable segment.

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

Three Months Ended March 31, 2025				
Customer Industries	Americas	EMEA	Asia/Pacific	Consolidated Total
Metals	\$ 64,296	\$ 32,960	\$ 49,867	\$ 147,123
Metalworking and other	149,415	96,318	50,058	295,791
	<u>\$ 213,711</u>	<u>\$ 129,278</u>	<u>\$ 99,925</u>	<u>\$ 442,914</u>

Three Months Ended March 31, 2024				
Customer Industries	Americas	EMEA	Asia/Pacific	Consolidated Total
Metals	\$ 66,026	\$ 32,820	\$ 50,911	\$ 149,757
Metalworking and other	163,728	105,602	50,672	320,002
	<u>\$ 229,754</u>	<u>\$ 138,422</u>	<u>\$ 101,583</u>	<u>\$ 469,759</u>

Note 6 - Leases

The Company has operating leases for certain facilities, vehicles, and machinery and equipment with remaining lease terms up to 10 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 90 years.

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

The Company had no material variable lease costs, sublease income, or finance leases for the three months ended March 31, 2025 and 2024. The components of the Company's lease expense are as follows:

	Three Months Ended March 31,	
	2025	2024
Operating lease expense	\$ 3,708	\$ 3,743
Short-term lease expense	144	199

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

	Three Months Ended March 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 3,584	\$ 3,661
Non-cash lease liabilities activity:		
Leased assets obtained in exchange for new operating lease liabilities	3,877	3,234

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

	March 31, 2025	December 31, 2024
Right-of-use lease assets	\$ 36,122	\$ 34,120
Other accrued liabilities	11,628	10,619
Long-term lease liabilities	21,130	20,028
Total operating lease liabilities	\$ 32,758	\$ 30,647
Weighted average remaining lease term (years)	5.1	5.0
Weighted average discount rate	5.81 %	5.63 %

Maturities of operating lease liabilities as of March 31, 2025 were as follows:

For the remainder of 2025	\$ 10,208
For the year ended December 31, 2026	10,101
For the year ended December 31, 2027	6,092
For the year ended December 31, 2028	3,550
For the year ended December 31, 2029	2,090
For the year ended December 31, 2030 and beyond	6,054
Total lease payments	38,095
Less: imputed interest	(5,337)
Present value of lease liabilities ⁽¹⁾	\$ 32,758

⁽¹⁾ During the year ended December 31, 2024, the Company entered into a new lease agreement for office and laboratory space in Radnor, PA for the purposes of relocating its global headquarters. The lease is expected to commence in the third quarter of 2025 with a total lease commitment of \$79.7 million. The \$79.7 million of future lease commitments relating to this lease were not included in the lease liabilities balance as of March 31, 2025.

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

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 March 31, 2025, the program included restructuring and associated severance costs to reduce headcount by approximately 350 positions globally. These actions are expected to be substantially complete in the first half of 2025.

Employee separation benefits vary depending on local regulations within certain foreign countries and include severance and other benefits. The exact timing to complete, and finalize costs associated with, all actions will depend on a number of factors and are subject to change. In addition to the global cost and optimization program described above, the Company continues to take actions to optimize its facilities' footprint. Restructuring costs incurred during the three months ended March 31, 2025 and 2024 include employee severance and asset-related and facility closure costs, including non-cash asset write-offs, which are recorded in Restructuring and related charges, net in the Company's Consolidated Statements of Operations.

Activity in the Company's accrual for its restructuring program and facility closure actions are as follows:

Accrued restructuring as of December 31, 2024	\$	2,297
Severance costs		13,902
Asset-related and facility closure charges		688
Cash payments		(9,045)
Reductions against the reserve		(642)
Currency translation adjustments		(41)
Accrued restructuring as of March 31, 2025	\$	7,159

During the three months ended March 31, 2025, the Company completed the sale of certain property previously classified as held for sale as of December 31, 2024 for a gain of \$2.2 million, which is recorded in Other income (expense), net in the Company's Condensed Consolidated Statements of Operations.

Note 8 – Share-Based Compensation

The Company recognized \$3.2 million and \$3.9 million of share-based compensation expense in its Condensed Consolidated Statements of Operations for the three months ended March 31, 2025 and 2024, respectively.

Restricted Stock Awards

As of March 31, 2025, unrecognized compensation expense related to non-vested restricted shares was \$0.6 million, to be recognized over a weighted average remaining period of 0.8 years.

Restricted Stock Units

During the three months ended March 31, 2025, the Company granted 63,791 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 March 31, 2025, unrecognized compensation expense related to non-vested restricted stock units was \$12.9 million, to be recognized over a weighted average remaining period of 1.9 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.

As mentioned above, a portion of the Company's PSUs are subject to the achievement of the Company's TSR relative to the performance of a selected peer group. For PSUs subject to relative TSR performance granted in 2025 and 2024, the Company's peer group was the S&P Composite 1500 Chemicals index.

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

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 three months ended March 31, 2025, the Company granted 25,994 PSUs with a ROIC condition at a grant date fair value of \$128.47 per unit, which was based on the closing trading price of the Company's common stock on the date of grant. During the three months ended March 31, 2025, the Company granted 25,951 PSUs with a relative TSR condition. These PSUs are valued using a Monte Carlo simulation on the grant date and had a grant-date fair value of \$150.90 per unit, which was developed based on the assumptions set forth in the table below:

	2025 Grants
Risk-free interest rate	3.96%
Dividend yield	1.51%
Expected term (years)	3.0

As of March 31, 2025, there was approximately \$10.7 million of total unrecognized compensation cost related to PSUs, which the Company expects to recognize over a weighted-average period of 2.5 years.

Note 9 – Pension and Other Postretirement Benefits

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

	Three Months Ended March 31,			
	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Service cost	\$ 102	\$ 109	\$ —	\$ —
Interest cost	2,284	2,375	14	15
Expected return on plan assets	(1,984)	(2,030)	—	—
Actuarial loss (gain) amortization	140	127	(26)	(29)
Prior service cost amortization	6	7	—	—
Net periodic benefit cost (income)	<u>\$ 548</u>	<u>\$ 588</u>	<u>\$ (12)</u>	<u>\$ (14)</u>

Employer Contributions

During the three months ended March 31, 2025, \$1.4 million of contributions have been made to the Company's U.S. and foreign pension plans. Contributions to other postretirement benefit plans were less than \$0.1 million. Taking into consideration current minimum cash contribution requirements, the Company currently expects to make full year cash contributions of approximately \$6.0 million to its U.S. and foreign pension plans and approximately \$0.2 million to its other postretirement benefit plans.

Note 10 – Other income (expense), net

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

	Three Months Ended March 31,	
	2025	2024
Non-income tax refunds and other related credits	\$ 168	\$ 2,155
Income from third party license fees	207	225
Gain on disposals of property, plant, equipment and other assets, net	2,148	407
Foreign exchange losses, net	(3,518)	(448)
Pension and postretirement benefit costs, non-service components	(434)	(465)
Product liability claim costs, net	—	(896)
Interest income	660	—
Other non-operating income, net	60	102
Total other income (expense), net	<u>\$ (709)</u>	<u>\$ 1,080</u>

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

Gain on disposals of property, plant, equipment and other assets, net, includes the gain of \$2.2 million recognized for the sale of certain property previously classified as held for sale during the three months ended March 31, 2025. See Note 7, *Restructuring and Related Activities*, for more information.

Foreign exchange losses, net includes the \$1.9 million foreign exchange losses recognized during the three months ended March 31, 2025 relating to the change in fair value of the foreign exchange forward contracts entered into in connection with the acquisition of Dipsol. See Note 17, *Hedging Activities*, for more information.

Product liability claim costs, net represents expense related to payments by the Company in connection with a product liability dispute with a customer, net of insurance recoveries during the three months ended March 31, 2024.

Note 11 – Income Taxes

The Company's effective tax rates for the three months ended March 31, 2025 and 2024 were 43.4% and 27.3%, respectively. The Company's effective tax rate for the three months ended March 31, 2025 was largely driven by our mix of pre-tax earnings, withholding taxes and return to provision adjustments offset by net favorable reductions in uncertain tax positions. Comparatively, the effective tax rate for the three months ended March 31, 2024 was largely driven by a mix of earnings and withholding taxes, offset by reductions in uncertain tax positions.

Note 12 – Earnings Per Share

The following table summarizes earnings per share calculations:

	Three Months Ended	
	March 31,	
	2025	2024
Basic earnings per common share		
Net income attributable to Quaker Chemical Corporation	\$ 12,922	\$ 35,227
Less: income allocated to participating securities	(22)	(159)
Net income available to common shareholders	\$ 12,900	\$ 35,068
Basic weighted average common shares outstanding	17,639,764	17,908,814
Basic earnings per common share	\$ 0.73	\$ 1.96
Diluted earnings per common share		
Net income attributable to Quaker Chemical Corporation	\$ 12,922	\$ 35,227
Less: income allocated to participating securities	(22)	(158)
Net income available to common shareholders	\$ 12,900	\$ 35,069
Basic weighted average common shares outstanding	17,639,764	17,908,814
Effect of dilutive securities	30,201	30,048
Diluted weighted average common shares outstanding	17,669,965	17,938,862
Diluted earnings per common share	\$ 0.73	\$ 1.95

Certain stock options, restricted stock units, and PSUs are not included in the diluted earnings per share calculation when the effect would be anti-dilutive. The number of anti-dilutive shares was 70,771 and 39,066 for the three months ended March 31, 2025 and 2024, respectively.

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

Note 13 – Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill for the three months ended March 31, 2025 were as follows:

	Americas	EMEA	Asia/Pacific	Total
Balance as of December 31, 2024	\$ 276,875	\$ 80,404	\$ 161,615	\$ 518,894
Goodwill recognized for CSI acquisition	—	1,721	—	1,721
Goodwill recognized for Sutai acquisition ⁽¹⁾	—	—	(233)	(233)
Currency translation adjustments	768	1,475	2,042	4,285
Balance as of March 31, 2025	<u>\$ 277,643</u>	<u>\$ 83,600</u>	<u>\$ 163,424</u>	<u>\$ 524,667</u>

⁽¹⁾ During the three months ended March 31, 2025, the Company finalized the working capital settlements which impacted the goodwill recorded. See Note 2, *Business Acquisitions*, for additional information.

	Mar 31, 2025	Dec 31, 2024
Goodwill, gross	\$ 620,857	\$ 611,498
Accumulated impairment losses ⁽¹⁾	(96,190)	(92,604)
Goodwill, net	<u>\$ 524,667</u>	<u>\$ 518,894</u>

⁽¹⁾ Accumulated impairment losses are attributable to the non-cash impairment charge of \$93.0 million to write down the carrying value of the EMEA reporting unit during the fourth quarter of 2022 and includes the impact of currency translation.

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

	Gross Carrying Amount		Accumulated Amortization		Net Book Value	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Customer lists and rights to sell	\$ 842,996	\$ 829,255	\$ 302,054	\$ 285,450	\$ 540,942	\$ 543,805
Trademarks, formulations and product technology	164,312	160,257	65,642	62,373	98,670	97,884
Other	5,805	5,759	5,713	5,663	92	96
Total definite-lived intangible assets	<u>\$ 1,013,113</u>	<u>\$ 995,271</u>	<u>\$ 373,409</u>	<u>\$ 353,486</u>	<u>\$ 639,704</u>	<u>\$ 641,785</u>

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 March 31,	
	2025	2024
Amortization expense	\$ 14,237	\$ 14,472

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

For the remainder of 2025	\$ 43,236
For the year ended December 31, 2026	57,179
For the year ended December 31, 2027	56,838
For the year ended December 31, 2028	56,371
For the year ended December 31, 2029	55,271
For the year ended December 31, 2030	53,106

As of March 31, 2025 and December 31, 2024, the Company had indefinite-lived intangible assets for trademarks and tradenames totaling \$190.6 million and \$185.3 million, respectively.

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

Note 14 – Debt

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

	As of March 31, 2025		As of December 31, 2024	
	Interest Rate	Outstanding Balance	Interest Rate	Outstanding Balance
Credit Facilities:				
Revolver	4.38%	\$ 80,860	4.00%	\$ 48,820
U.S. Term Loan	5.55%	502,184	5.62%	508,863
Euro Term Loan	3.50%	142,637	4.00%	138,767
Industrial development bonds	5.26%	10,000	5.26%	10,000
Bank lines of credit and other debt obligations	Various	1,366	Various	1,817
Total debt		\$ 737,047		\$ 708,267
Less: debt issuance costs		(987)		(1,099)
Less: short-term and current portion of long-term debts		(37,292)		(37,554)
Total long-term debt		\$ 698,768		\$ 669,614

Credit facilities

In 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 March 31, 2025, the Company was in compliance with all of the Credit Facility covenants. See Note 19, *Debt*, to Consolidated Financial Statements in the Company’s 2024 Form 10-K.

The weighted average variable interest rate incurred on the outstanding borrowings under the Credit Facility during the three months ended March 31, 2025 was approximately 5.2%. As of March 31, 2025, the interest rate on the outstanding borrowings under the Credit Facility was approximately 5.0%. 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 \$417 million, which is net of bank letters of credit of approximately \$2 million, as of March 31, 2025.

Subsequent to the date of the financial statements, in April 2025, the Company borrowed \$210 million from the Revolver to fund the Dipsol acquisition and for other corporate purposes. See Note 2, *Business Acquisitions*, for more information.

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 March 31, 2025, the aggregate interest rate on the swaps, including the fixed base rate plus the applicable margin, was 4.9%. See Note 17, *Hedging Activities*, for more information.

The Company capitalized third-party and credit debt issuance costs attributed to the Euro Term Loan, U.S. Term Loan and Revolver during the second quarter of 2022. Capitalized costs attributed to the Euro Term Loan and U.S. Term Loan are recorded as a direct offset to Long-term debt on the Condensed Consolidated Balance Sheets. Capitalized costs attributed to the Revolver are recorded within Other assets on the Condensed Consolidated Balance Sheets. These capitalized costs will collectively be amortized into Interest expense over the five-year term of the Credit Facility. As of March 31, 2025 and December 31, 2024, the Company had \$1.0 million and \$1.1 million, respectively, of debt issuance costs recorded as a reduction of Long-term debt and \$2.1 million and \$2.4 million, respectively, of debt issuance costs recorded within Other assets.

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

Industrial development bonds

As of March 31, 2025 and December 31, 2024, 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 March 31, 2025 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 March 31, 2025 were approximately \$7 million.

Interest expense

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

	Three Months Ended March 31,	
	2025	2024
Interest expense	\$ 9,192	\$ 11,282
Amortization of debt issuance costs	353	353
Total	\$ 9,545	\$ 11,635

Based on the variable interest rates associated with the Credit Facility, as of March 31, 2025 and as of December 31, 2024, the amounts at which the Company's total debt were recorded are not materially different from their fair market value.

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 Gain (Loss) in Available-for- Sale Securities	Derivative Instruments	Total
Balance as of December 31, 2024	\$ (192,841)	\$ (10,313)	\$ 287	\$ 1,248	\$ (201,619)
Other comprehensive income (loss) before Reclassifications	27,125	(472)	(391)	(769)	25,493
Amounts reclassified from AOCI	—	121	7	—	128
Related tax amounts	—	86	80	177	343
Balance as of March 31, 2025	\$ (165,716)	\$ (10,578)	\$ (17)	\$ 656	\$ (175,655)
Balance as of December 31, 2023	\$ (115,417)	\$ (10,738)	\$ 333	\$ 1,407	\$ (124,415)
Other comprehensive (loss) income before Reclassifications	(25,316)	320	63	3,045	(21,888)
Amounts reclassified from AOCI	—	150	(7)	—	143
Related tax amounts	—	(116)	(11)	(700)	(827)
Balance as of March 31, 2024	\$ (140,733)	\$ (10,384)	\$ 378	\$ 3,752	\$ (146,987)

Quaker Chemical Corporation
Notes to Condensed Consolidated Financial Statements - Continued
(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. The Company owns an immaterial amount of company-owned life insurance policies as of March 31, 2025 and December 31, 2024.

See Note 17, *Hedging Activities*, 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 derivative 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 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 March 31, 2025 were entered into as hedges of Japanese yen and Mexican peso against the U.S. dollar and had the following notional U.S. dollar values (in millions):

Currency	March 31, 2025
Mexican Peso	\$ 12,500
Japanese Yen	164,673
	\$ 177,173

In connection with the acquisition of Dipsol as described in Note 2, *Business Acquisitions*, in March 2025, the Company entered into multiple foreign exchange forward contracts with various financial institutions with an aggregate notional amount totaling \$155.3 million to hedge the variability of exchange rate impacts between the U.S. Dollar and Japanese yen. These foreign exchange forward contracts settled on April 1, 2025. The Company recognized a \$1.9 million loss in Other income (expense), net relating to the change in fair value of these instruments as of the reporting date for the three months ended March 31, 2025.

Open foreign exchange forward contracts as of March 31, 2025 had maturities occurring over a period of up to 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, *Debt*, for additional information. These interest rate swaps are designated as cash flow hedges and, as such, the contracts are marked-to-market at each reporting date with any unrealized gains or losses included in AOCI to the extent effective and reclassified to interest expense in the period during which the 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	March 31, 2025	December 31, 2024
Interest rate swaps:	Other non-current assets	\$ 852	\$ 1,621
Foreign currency forward contracts:	Other accrued liabilities	1,994	67

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

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

Derivatives designated as cash flow hedges		March 31, 2025	December 31, 2024
Interest rate swaps	AOCI	\$ 656	\$ 1,248

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 March 31,	
		2025	2024
Interest rate swaps	Interest expense	\$ 523	\$ 1,286
Foreign exchange forward contracts	Other income (expense), net	(1,857)	943
Total		<u>\$ (1,334)</u>	<u>\$ 2,229</u>

Net Investment Hedge

Subsequent to the date of this report, in April 2025, the Company entered into a fixed-for-fixed cross currency swap with an aggregate notional amount totaling \$100.0 million to hedge the variability of exchange rate impacts between the U.S. Dollar and Japanese yen. The cross-currency swap was designated as a net investment hedge and expires in April 2028.

Note 18 – Commitments and Contingencies

As previously disclosed in its 2024 Form 10-K, the Company is party to certain environmental matters and other litigation. See Note 25, *Commitments and Contingencies*, in the Company's 2024 Form 10-K for more information. During the three months ended March 31, 2025, 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 \$5.5 million and \$5.3 million as of March 31, 2025 and December 31, 2024, respectively, for these ongoing matters.

In addition, during the three months ended March 31, 2025, 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.

Quaker Chemical Corporation
Management's Discussion and Analysis

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.

Net sales in the first quarter of 2025 were \$442.9 million, a decrease of 6% compared to \$469.8 million in the first quarter of 2024. This was primarily driven by a decrease in sales volumes of 3%, an unfavorable impact from foreign currency translation of 3%, and a decline in selling price and product mix of approximately 1%, partially offset by a contribution from acquisitions of approximately 1%. The decline in sales volumes was primarily a result of a continuation of soft end market conditions further impacted by the uncertainty of tariffs, primarily in the Europe, Middle East and Africa ("EMEA") and Americas segments, partially offset by an increase in sales volumes in the Asia/Pacific segment, continued new business wins across all segments and a contribution from acquisitions in the EMEA and Asia/Pacific segments. The decrease in selling price and product mix was primarily attributable to the impact of our index-based customer contracts and the mix of products and services, primarily in Asia/Pacific.

The Company generated net income in the first quarter of 2025 of \$12.9 million, or \$0.73 per diluted share, compared to net income of \$35.2 million, or \$1.95 per diluted share in the first quarter of 2024. Excluding non-recurring and non-core items in each period, the Company's first quarter 2025 non-GAAP net income and earnings per diluted share were \$28.0 million and \$1.58 compared to \$37.7 million and \$2.09, respectively, in the prior year. The decrease in current quarter earnings was primarily driven by lower net sales, lower gross margins and higher restructuring and related charges, partially offset by lower selling, general, and administrative expenses ("SG&A"). The Company's current quarter adjusted EBITDA was \$69.0 million compared to \$83.3 million in the first quarter of 2024. The decrease was primarily driven by lower net sales and lower gross margins, partially offset by lower SG&A. See the Non-GAAP Measures and Consolidated Operations Review sections of this Item below for additional details.

The Company's first quarter 2025 operating performance in each of its three reportable segments: (i) Americas; (ii) EMEA; and (iii) Asia/Pacific, reflects similar drivers to that of the Company's consolidated performance. Operating earnings for all three segments decreased compared to the prior year quarter, primarily driven by a decrease in net sales and operating margins in each of the reportable segments. Additional details of segment operating performance are provided in the Reportable Segments Review in the Operations section of this Item below.

Net cash flows used in operating activities were \$3.1 million in the first three months of 2025 compared to net cash flows provided by operating activities of \$27.2 million in the first three months of 2024. The lower operating cash flow year-over-year reflects an increase in net cash outflows from working capital and lower operating performance in the first three months of 2025 compared to the first three months of 2024. 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's results in the first quarter of 2025 reflect the Company's continued execution on its financial, operational, and strategic priorities despite a continuation of soft end market conditions 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 2024 Form 10-K. There have been no material changes to the critical accounting policies and estimates disclosed in the 2024 Form 10-K.

Recently Issued Accounting Standards

See Note 3, *Recently Issued Accounting Standards*, to the Condensed Consolidated Financial Statements for a discussion regarding recently adopted accounting standards and recently issued accounting standards not yet adopted.

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Liquidity and Capital Resources

As of March 31, 2025, we had cash and cash equivalents of \$186.2 million. Total cash and cash equivalents were \$188.9 million as of December 31, 2024. Cash held by subsidiaries in foreign countries was approximately \$178.8 million and \$180.6 million at March 31, 2025 and December 31, 2024, respectively. The \$2.7 million decrease in cash and cash equivalents was the net result of \$13.4 million of cash used in investing activities and \$3.1 million of cash used in operating activities, partially offset by \$11.0 million of cash provided by financing activities and a \$2.8 million favorable impact of foreign currency translation.

Net cash flows used in operating activities were \$3.1 million in the first three months of 2025 compared to \$27.2 million net cash flows provided by operating activities in the first three months of 2024. The decrease in net operating cash flow year-over-year reflects lower operating performance in the first three months of 2025 compared to 2024 and higher cash outflows from restructuring activities and working capital in 2025. Working capital cash outflows in the first three months of 2025 were primarily driven by an outflow from accounts receivable due to timing of collections and an outflow related to inventory due to customer order patterns, partially offset by a lower cash outflow from accounts payable and accrued liabilities primarily due to lower incentive compensation.

Net cash flows used in investing activities were \$13.4 million in the first three months of 2025 compared to \$29.3 million in the first three months of 2024. The decrease in cash used in investing activities year-over-year is primarily the result of a \$24.9 million payment in the previous year related to the acquisition of I.K.V. Tribologie IKVT and its subsidiaries ("IKV") and an increase in proceeds from asset dispositions of \$2.8 million in the current year, partially offset by payments in the current year related to the acquisition of Chemical Solutions & Innovations (Pty) Ltd. ("CSI") and a \$7.9 million increase in payments related to capital expenditures. See Note 2, *Business Acquisitions*, to the Condensed Consolidated Financial Statements for further information about business acquisitions.

Net cash flows provided by financing activities were \$11.0 million in the first three months of 2025 compared \$6.6 million in the first three months of 2024. The increase in financing cash inflows is driven primarily by \$30.0 million of net borrowings on the Company's revolving credit facility in the first three months of 2025, a \$9.1 million increase compared to the prior year. In addition, during the first three months of 2025, the Company made debt payments of approximately \$9.3 million compared to payments of \$4.7 million in the prior year period. The Company also paid \$8.6 million of cash dividends during the first three months of 2025, a \$0.4 million increase compared to the prior year period.

In 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 March 31, 2025, 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, *Debt*, to the Consolidated Financial Statements in its 2024 Form 10-K.

As of March 31, 2025 and December 31, 2024, the Company had Credit Facility borrowings outstanding of \$725.7 million and \$696.5 million, respectively. The Company's other debt obligations are primarily industrial development bonds, bank lines of credit and municipality-related loans, which totaled \$11.4 million as of March 31, 2025 and \$11.8 million as of December 31, 2024. Total unused capacity under these arrangements, excluding the Credit Facility, as of March 31, 2025 was approximately \$34 million. The Company's total net debt as of March 31, 2025, which consists of total borrowings of \$737.0 million less cash and cash equivalents of \$186.2 million, was approximately \$550.8 million.

The weighted average variable interest rate incurred on the outstanding borrowings under the Credit Facility during the three months ended March 31, 2025 was approximately 5.2%. As of March 31, 2025, the interest rate on the outstanding borrowings under the Credit Facility was approximately 5.0%. 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 \$417 million, which is net of bank letters of credit of approximately \$2 million, as of March 31, 2025.

Subsequent to the date of the financials, in April 2025, the Company borrowed \$210 million from the Revolver for the primary purpose of funding the purchase price of the Dipsol Chemicals Co., Ltd., ("Dipsol") acquisition and other corporate purposes. See Note 2, *Business Acquisitions*, for more information.

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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 March 31, 2025, the aggregate interest rate on the swaps, including the fixed base rate plus the applicable margin, was 4.9%. See Note 17, *Hedging Activities*, to the Condensed Consolidated Financial Statements for further information.

The Company capitalized third-party and credit debt issuance costs attributed to the Euro Term Loan, U.S. Term Loan and Revolver during the second quarter of 2022. Capitalized costs attributed to the Euro Term Loan and U.S. Term Loan are recorded as a direct offset to Long-term debt on the Condensed Consolidated Balance Sheets. Capitalized costs attributed to the Revolver are recorded within Other assets on the Condensed Consolidated Balance Sheets. These capitalized costs will collectively be amortized into Interest expense over the five-year term of the Credit Facility. As of March 31, 2025 and December 31, 2024, the Company had \$1.0 million and \$1.1 million, respectively, of debt issuance costs recorded as a reduction of Long-term debt and \$2.1 million and \$2.4 million, respectively, of debt issuance costs recorded within Other assets.

The Company uses foreign exchange forward contracts to economically hedge the impact of the variability in exchange rates on certain foreign currency-denominated assets and liabilities. Additionally, in connection with the Dipsol acquisition, in March 2025, the Company entered into foreign exchange forward contracts with various financial institutions with an aggregate notional amount of \$155.3 million to hedge the variability in U.S. dollar-Japanese yen exchange rates associated with the purchase price. These contracts were settled on April 1, 2025 in connection with the Dipsol acquisition. During the three months of 2025, the Company recognized \$1.9 million of other expense as compared to \$0.9 million of other income during the three months of 2024 relating to changes in fair value of foreign exchange forward contracts. See Note 17, *Hedging Activities*, to the Condensed Consolidated Financial Statements for further information.

During 2022, the Company initiated a global cost and optimization program to improve its cost structure and drive a more profitable and productive organization. The Company has achieved its annualized cost savings goal from this program of at least \$20 million. In the first quarter of 2025, the Company approved additional actions under the program, which are expected to generate an additional \$20 million of annualized cost savings. The program is expected to be substantially complete in the first half of 2025. The Company recognized restructuring and related charges of \$14.6 million and \$1.9 million for the three months ended March 31, 2025, and 2024, respectively, under this program and for our facility closure actions. The Company made cash payments related to the settlement of restructuring liabilities under the program during the first three months of 2025 of approximately \$9.0 million compared to \$3.7 million in the first three months of 2024. The Company expects total one-time cash costs of this program to be approximately 1 to 1.5 times annualized savings. See Note 7, *Restructuring and Related Activities*, to the Condensed Consolidated Financial Statements for further information.

As of March 31, 2025, the Company's gross liability for uncertain tax positions, including interest and penalties, was \$18.6 million. The Company cannot determine a reliable estimate of the timing of cash flows 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 \$6.4 million as a result of offsetting benefits in other tax jurisdictions.

The Company previously disclosed in its 2024 Form 10-K that the Board of Directors of the Company approved a 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 did not make repurchases under the 2024 Repurchase Program during the three months ended March 31, 2025. See Item 2, *Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities*, within Part II of this Report for further information.

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 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 additional capital requirements cannot be determined at this

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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.

Operations

Consolidated Operations Review – Comparison of the First Quarter of 2025 with the First Quarter of 2024

The following table summarizes the sales variances by reportable segment and consolidated operations from the prior year:

	Sales volumes	Selling price & product mix	Foreign currency	Acquisition & other	Total
Americas	(3)%	— %	(4)%	— %	(7)%
EMEA	(6)%	(1)%	(3)%	3 %	(7)%
Asia/Pacific	1 %	(3)%	(2)%	2 %	(2)%
Consolidated	(3)%	(1)%	(3)%	1 %	(6)%

Net sales in the first quarter of 2025 were \$442.9 million, a decrease of 6% compared to \$469.8 million in the first quarter of 2024. This was primarily driven by a decrease in sales volumes of approximately 3%, an unfavorable impact from foreign currency translation of approximately 3% and a decline in selling price and product mix of approximately 1%, partially offset by a contribution from acquisitions of approximately 1%. The decline in sales volumes compared to the prior year was primarily a result of a continuation of soft end market conditions further impacted by the uncertainty of tariffs, primarily in the EMEA and Americas segments, partially offset by an increase in sales volumes in the Asia/Pacific segment, continued new business wins across all segments and a contribution from acquisitions in the EMEA and Asia/Pacific segments. The decrease in selling price and product mix was primarily attributable to the impact of our index-based customer contracts and the mix of products and services, primarily in Asia/Pacific.

Cost of goods sold (“COGS”) was \$281.7 million in the first quarter of 2025 compared to \$288.2 million in the first quarter of 2024, a decrease of approximately \$6.5 million, or 2%. The decrease in COGS reflects lower spend on the decline in current year sales volumes, partially offset by an increase in raw material costs.

Gross profit was \$161.3 million in the first quarter of 2025 compared to \$181.6 million in the first quarter of 2024, a decrease of \$20.3 million, or 11% primarily due to the decline in sales and the increase in raw materials costs mentioned above. The Company’s reported gross margin in the first quarter of 2025 was 36.4% compared to 38.7% in the first quarter of 2024.

SG&A expense was \$119.0 million in the first quarter of 2025 compared to \$124.2 million in the first quarter of 2024, a decrease of approximately \$5.2 million, or 4%, driven by lower incentive compensation, offset by an increase in SG&A related to acquisitions.

The Company incurred Restructuring and related charges of \$14.6 million and \$1.9 million during the first quarter of 2025 and 2024, respectively, related to reductions in headcount and facility closure costs under the Company’s restructuring program. See the Non-GAAP Measures section above and Note 7, *Restructuring and Related Activities*, to the Condensed Consolidated Financial Statements for additional information.

Operating income in the first quarter of 2025 was \$27.6 million compared to \$55.5 million in the first quarter of 2024. 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 was \$45.8 million in the first quarter of 2025 and \$59.2 million in the first quarter of 2024. The decrease was primarily due to lower sales and an increase in global raw material costs, partially offset by a decrease in SG&A, as described above.

The Company had Other expense, net of \$0.7 million in the first quarter of 2025 as compared to Other income, net of \$1.1 million in the first quarter of 2024. Both the first quarter of 2025 and 2024 included foreign exchange transaction losses, which were \$3.1 million higher in the current year. The first quarter of 2025 also included other income from net gain on disposals of property of \$2.1 million, whereas the first quarter of 2024 had other income from non-income tax credits of \$2.2 million.

Interest expense was \$9.5 million in the first quarter of 2025 compared to \$10.8 million in the first quarter of 2024, a decrease of approximately \$1.3 million, primarily as a result of decreases in interest rates and lower outstanding borrowings.

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The Company's effective tax rates for the first quarters of 2025 and 2024 were 43.4% and 27.3%, respectively. The Company's effective tax rate for the first quarter of 2025 was largely driven by our mix of pre-tax earnings, withholding taxes and return to provision adjustments offset by net favorable reductions in uncertain tax positions. Comparatively, the effective tax rate for the first quarter of 2024 was largely driven by a mix of earnings and withholding taxes, offset by reductions in uncertain tax positions. 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 first quarters of 2025 and 2024 would have been approximately 29% 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 \$3.1 million in the first quarter of 2025 compared to \$2.0 million in the first quarter of 2024, an increase of \$1.1 million, primarily due to higher current year income from the Company's 50% equity interest in a joint venture in Korea.

Net income attributable to noncontrolling interest was less than \$0.1 million in the first quarter of 2025 and 2024.

Reportable Segments Review - Comparison of the First Quarter of 2025 with the First Quarter of 2024

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 each of the Company's reportable segments are comprised of the segment's net sales less directly related product costs and other operating expenses. Operating expenses not directly attributable to the net sales of each respective segment, such as certain corporate and administrative costs and restructuring charges, are not included in segment operating earnings. Other items not specifically identified with the Company's reportable segments include Interest expense and Other income (expense), net.

Americas

Americas represented approximately 48% of the Company's consolidated net sales in the first quarter of 2025. This segment's net sales were \$213.7 million, a decrease of \$16.0 million, or 7%, compared to the first quarter of 2024. This was driven by a decrease in sales volumes of approximately 3% and an unfavorable impact from foreign currency translation of 4%. The current quarter decline in sales volumes compared to the prior year was primarily driven by a continuation of soft end market conditions further impacted by the uncertainty of tariffs, especially for metalworking applications, partially offset by new business wins broadly across the portfolio. The unfavorable foreign exchange impact was primarily due to the strengthening of the U.S. dollar against the Mexican peso and Brazilian real. Segment operating earnings were \$58.5 million, a decrease of \$8.3 million, or 12%, compared to the first quarter of 2024, driven by a decline in net sales and lower segment operating margins, primarily driven by lower gross margins for the segment, partially offset by lower SG&A.

EMEA

EMEA represented approximately 29% of the Company's consolidated net sales in the first quarter of 2025. This segment's net sales were \$129.3 million, a decrease of \$9.1 million, or 7%, compared to the first quarter of 2024. This was driven by a decline in sales volumes of 6%, an unfavorable impact from foreign currency translation of 3% and lower selling price and product mix of approximately 1%, partially offset by an increase in sales from acquisitions of approximately 3%, relating to the acquisitions of IKV and CSI. The decrease in sales volumes was primarily driven by a continuation of softer end market conditions further impacted by the uncertainty of tariffs, partially offset by new business wins. The unfavorable foreign currency translation impact was primarily due to the strengthening of the U.S. dollar against the Euro. The decrease in selling price and product mix was primarily attributable to the impact of our index-based customer contracts and mix of products and services. Segment operating earnings were \$23.4 million, a decrease of \$6.2 million, or 21%, compared to the first quarter of 2024, due to the decline in net sales and lower segment operating margins, primarily due to lower gross margins for the segment, partially offset by lower SG&A.

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Asia/Pacific

Asia/Pacific represented approximately 23% of the Company's consolidated net sales in the first quarter of 2025. This segment's net sales were \$99.9 million, a decrease of \$1.7 million, or 2%, compared to the first quarter of 2024. This was driven by an increase in sales volumes of 1% and a contribution from the acquisition of Sutai of 2%, partially offset by a decrease in selling price and product mix of 3% and an unfavorable impact from foreign currency translation of 2%. The increase in sales volumes was primarily driven by new business wins despite uncertainty related to tariffs. The decrease in selling price and product mix was primarily attributable to the impact of our index-based customer contracts and mix of products and services. The unfavorable foreign exchange impact was primarily due to the strengthening of the U.S. dollar against the Chinese renminbi. Segment operating earnings were \$25.9 million, a decrease of \$4.4 million, or 15%, compared to the first quarter of 2024 due to a decline in net sales and lower segment gross margins, partially offset by lower SG&A.

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 financial performance of the Company, facilitate a comparison among fiscal periods, and exclude items that management believes are not indicative of future operating performance or 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 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, 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 management believes are not indicative of future operating performance or 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 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 analysts, investors, and competitors 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, 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 analysts, investors, and competitors in our industry as well as by management in assessing the performance of the Company on a consistent basis.

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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	
	March 31,	
	2025	2024
Operating income	\$ 27,624	\$ 55,526
Restructuring and related charges, net (a)	14,590	1,857
Acquisition-related expenses (b)	3,329	283
Customer insolvency costs (f)	—	1,522
Other charges (c)	226	54
Non-GAAP operating income	<u>\$ 45,769</u>	<u>\$ 59,242</u>
Non-GAAP operating margin (%) (m)	<u>10.3 %</u>	<u>12.6 %</u>

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Non-GAAP Net Income Reconciliations	Three Months Ended	
	March 31,	
	2025	2024
Net income attributable to Quaker Chemical Corporation	\$ 12,922	\$ 35,227
Depreciation and amortization (k)	20,830	21,056
Interest expense	9,545	10,824
Taxes on income before equity in net income of associated companies (l)	7,542	12,508
EBITDA	<u>50,839</u>	<u>79,615</u>
Equity income in a captive insurance company (d)	(671)	(506)
Restructuring and related charges, net (a)	14,590	1,857
Acquisition-related expenses (b)	3,329	283
Customer insolvency costs (f)	—	1,522
Product liability claim costs, net (g)	—	896
Currency conversion impacts of hyper-inflationary economies (e)	535	(904)
Loss on acquisition-related hedges (h)	1,943	—
Gain on sale of property (i)	(2,177)	—
Other charges (c)	659	519
Adjusted EBITDA	<u>\$ 69,047</u>	<u>\$ 83,282</u>
Adjusted EBITDA margin (%) (m)	<u>15.6 %</u>	<u>17.7 %</u>
Adjusted EBITDA	\$ 69,047	\$ 83,282
Less: Depreciation and amortization (k)	20,830	21,056
Less: Interest expense	9,545	10,824
Less: Taxes on income before equity in net income of associated companies - adjusted (l)	10,644	13,729
Non-GAAP net income	<u>\$ 28,028</u>	<u>\$ 37,673</u>

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Non-GAAP Earnings per Diluted Share Reconciliations	Three Months Ended	
	March 31,	
	2025	2024
GAAP earnings per diluted share attributable to Quaker Chemical Corporation common shareholders	\$ 0.73	\$ 1.95
Equity income in a captive insurance company (d)	(0.04)	(0.03)
Restructuring and related charges, net (a)	0.62	0.08
Acquisition-related expenses, net (b)	0.14	0.01
Customer insolvency costs (f)	—	0.06
Product liability claim costs, net (g)	—	0.04
Currency conversion impacts of hyper-inflationary economies (e)	0.03	(0.05)
Loss on acquisition-related hedges (h)	0.08	—
Gain on sale of property (i)	(0.09)	—
Other charges (c)	0.03	0.03
Discrete tax items (j)	0.08	—
Non-GAAP earnings per diluted share (n)	<u>\$ 1.58</u>	<u>\$ 2.09</u>

- (a) Restructuring and related charges, net represent the costs incurred by the Company associated with the Company's restructuring program and facility closures. See Note 7, *Restructuring and Related Activities*, to the Condensed Consolidated Financial Statements for additional information.
- (b) Acquisition-related expenses include expenses associated with the Company's recent and potential acquisitions, including legal, financial, consulting and other costs.
- (c) Other charges include professional fees incurred in connection with tax audits, the non-service components of pension expense and other items. See Note 9, *Pension and Other Postretirement Benefits*, and Note 10, *Other income (expense), net*, to the Condensed Consolidated Financial Statements for additional information.
- (d) Equity income 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.
- (e) 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 months ended March 31, 2025 and 2024. The charges incurred relate to the immediate recognition of foreign currency remeasurement in the Condensed Consolidated Statements of Operations.
- (f) 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.
- (g) Product liability claim costs, net represents expense related to the payments by the Company in connection with a product liability dispute with a customer, net of insurance recoveries during the three months ended March 31, 2024. See Note 10, *Other income (expense), net*, to the Condensed Consolidated Financial Statements for additional information.
- (h) Loss on acquisition-related hedges represents the mark-to-market impact of the foreign exchange forward contracts entered into March 2025 for an aggregate notional amount totaling \$155.3 million to hedge the variability of exchange rate impacts between the U.S. Dollar and Japanese yen in connection with the acquisition of Dipsol. See Note 2, *Business Acquisitions*, and Note 17, *Hedging Activities*, to the Condensed Consolidated Financial Statements for additional information.
- (i) Gain on sale of property represents the gain recognized on the sale of certain property previously classified as held for sale as of December 31, 2024. See Note 7, *Restructuring and Related Activities*, to the Condensed Consolidated Financial Statements for additional information.
- (j) Discrete tax items include certain impacts of uncertain tax positions. See Note 11, *Income Taxes*, to the Condensed Consolidated Financial Statements for more information.

Quaker Chemical Corporation
Management's Discussion and Analysis

- (k) Depreciation and amortization for the three months ended March 31, 2025 and 2024 includes approximately \$0.2 million and \$0.3 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 purchase accounting step-up in connection with the acquisition of the Company's 50% equity interest in Korea Houghton Corporation.
- (l) 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.
- (m) 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.
- (n) In each given period, the Company calculates non-GAAP earnings per diluted share as non-GAAP net income attributable to the Company per weighted average diluted shares outstanding using the "two-class share method".

Off-Balance Sheet Arrangements

The Company's off-balance sheet items outstanding as of March 31, 2025 include approximately \$7 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.

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. Such statements include information relating to current and future business activities, operational matters, capital spending, and financing sources. 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 economic downturns, tariffs, including retaliatory tariffs, "trade wars" and uncertainty surrounding changes in tariffs, 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 impacts on our business from acts of war, terrorism and military conflicts, including those in Ukraine and the Middle East, as well as related economic, political and governmental actions taken by various governments and governmental organizations in response;
- inflationary pressures, increases in raw material costs, supply chain constraints and other impacts of economic downturns, as well as high interest rates and their impact on our and our customers' business operations;
- the potential timing, impacts, benefits and other uncertainties of acquisitions and divestitures, including our ability to realize synergies, integrate acquisitions and acquired businesses or separate divested assets and businesses;
- broader macroeconomic factors, including potential for changes in global and regional economic conditions, the possibility of global or regional slowdowns or recessions, other macroeconomic stresses and uncertainties, including potential impacts related to the recent actions of the federal government and responses thereto, as well as other political and geopolitical events, civil disturbances and epidemics/pandemics or extreme weather events and other natural disasters that may adversely affect regional economic conditions and housing market;
- U.S. political conditions and legislative and regulatory activity (or inactivity), including adoption of (or failure to adopt) new laws, regulations and executive orders, changes in existing laws, regulations and executive orders or the way they are interpreted or applied, and adoption of laws, regulations or executive orders that conflict among jurisdictions in which we operate; and
- our future results and plans including our sustainability goals and enterprise strategy.

Quaker Chemical Corporation
Management's Discussion and Analysis

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, 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 governments or government organizations; suspensions of activities in Russia by many multinational companies; 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; the effects of climate change, fires or other natural disasters; 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, automotive, aerospace, industrial equipment, aluminum, and durable goods industries.

Any or all of the forward-looking statements in this Report, in the Company's 2024 Form 10-K and in any other public statements we make may prove to be incorrect due to inaccurate assumptions or unforeseen risks and uncertainties. In addition to the factors above, our forward-looking statements are qualified with respect to the risks disclosed elsewhere in this Report, including Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations. These risks, uncertainties, and possible inaccurate assumptions relevant to our business could materially impact our future performance and cause our actual results to differ materially from expected and historical results. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. However, additional disclosures on related subjects can be found in the Company's subsequent reports on Forms 10-K, 10-Q, 8-K and other related filings. We caution you not to place undue reliance on our forward-looking statements.

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, 2024, 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 March 31, 2025, 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 March 31, 2025 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 March 31, 2025.

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, *Commitments and Contingencies*, 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 2024 Form 10-K. There have been no material changes to the risk factors described therein. However, the primary and secondary impacts of recent government actions including tariffs and trade policies, have impacted the global economy, disrupted global supply chains, created significant uncertainty and volatility in financial markets, and increased the risk of recession and elevated unemployment levels, and those conditions could continue or worsen. Accordingly, these actions and their impact on, among other things, the macroeconomic environment and regulatory policies could exacerbate the other risks and uncertainties set forth in "Item 1A. Risk Factors" in our 2024 10-K and could negatively impact our businesses and financial results.

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)	(b) Average Price Paid Per Share (1)	(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)
January 1 - January 31	170	\$ 133.31	—	\$ 100,758,700
February 1 - February 28	705	\$ 139.46	—	\$ 100,758,700
March 1 - March 31	7,934	\$ 128.47	—	\$ 100,758,700
Total	8,809	\$ 129.45	—	\$ 100,758,700

- (1) All 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 million of Quaker Chemical Corporation common stock (the "2024 Share Repurchase Program"), which replaced the prior authorization and 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. There were no shares acquired by the Company pursuant to the 2024 Share Repurchase Program during the quarter ended March 31, 2025.

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, *Debt*, to the 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 quarter ended March 31, 2025.

Item 6. Exhibits.

(a) Exhibits

- 2.1 [Share Purchase Agreement, dated March 25, 2025, by and among AG III Investment Limited Partnership, an investment limited partnership \(toshi jigyo yugen sekinin kumiai\) organized and existing under the Laws of Japan, AG Chorus Limited Partnership, an exempted limited partnership organized and existing under the Laws of the Cayman Islands, AG Concert Limited Partnership, an exempted limited partnership organized and existing under the Laws of the Cayman Islands, Quaker Chemical Corporation, a Pennsylvania Corporation and Quaker Chemical Corporation, a Delaware corporation.*^^](#)
- 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 Registrant and Renato Carvalho dated January 23, 2012.*†^](#)
- 10.2 [Change in Control Agreement by and between Registrant and Renato Carvalho dated March 1, 2025.*†](#)
- 10.3 [Employment Agreement by and between Registrant and Albert Ma dated April 1, 2016.*†^](#)
- 10.4 [Change in Control Agreement by and between Registrant and Albert Ma dated March 1, 2025.*†](#)
- 10.5 [Employment Agreement by and between Registrant and Miguel Moreno dated July 2, 2018.*†^](#)
- 10.6 [Change in Control Agreement by and between Registrant and Miguel Moreno dated March 1, 2025.*†](#)
- 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

^^ Certain exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K, and the Company agrees to furnish supplementally to the Securities and Exchange commission a copy of any omitted exhibits and schedules upon request.

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

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

Date: May 1, 2025

SHARE PURCHASE AGREEMENT

by and among

AG III INVESTMENT LIMITED PARTNERSHIP,

AG CHORUS LIMITED PARTNERSHIP,

AG CONCERT LIMITED PARTNERSHIP,

QUAKER CHEMICAL CORPORATION,

and

QUAKER CHEMICAL CORPORATION

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SHARE PURCHASE AGREEMENT

This **SHARE PURCHASE AGREEMENT** (this “**Agreement**”) is entered into on March 25, 2025 (the “**Effective Date**”), by and among:

- (1) **AG III Investment Limited Partnership**, an investment limited partnership (*toshi jigyo yugen sekinin kumiai*) organized and existing under the Laws of Japan, having its registered address at 2-23-1, Akasaka, Minato-ku, Tokyo 107-0052, Japan (“**AG Japan**”);
- (2) **AG Chorus Limited Partnership**, an exempted limited partnership organized and existing under the Laws of the Cayman Islands, having its registered address at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008 (“**AG Chorus**”);
- (3) **AG Concert Limited Partnership**, an exempted limited partnership organized and existing under the Laws of the Cayman Islands, having its registered address at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008 (“**AG Concert**”), and together with AG Japan and AG Chorus, the “**Sellers**” and each of the Sellers, individually, a “**Seller**”);
- (4) **Quaker Chemical Corporation**, a company incorporated under the Laws of the State of Pennsylvania, having a corporate address at 901 E. Hector Street, Conshohocken, Pennsylvania, United States of America (the “**Parent**”); and
- (5) **Quaker Chemical Corporation**, a company incorporated under the Laws of the State of Delaware, having a corporate address at Silverside Carr Executive Center, Suite 34, 501 Silverside Road, Wilmington, Delaware, 19809, United States of America (the “**Buyer**”, and collectively with the Parent and the Sellers, the “**Parties**” and each individually a “**Party**”).

RECITALS

WHEREAS, Aspirant Group SPC 7 Inc., a corporation organized and existing under the Laws of Japan (the “**Company**”), is, together with (i) its direct subsidiary, Toei Sangyo Co., Ltd. (東栄産業株式会社), a corporation organized and existing under the Laws of Japan (“**Toei**”), (ii) the wholly-owned direct subsidiary of Toei, Dipsol Chemicals Co., Ltd. (ドイツプロール株式会社), a corporation organized and existing under the Laws of Japan (“**DCJ**”), and (iii) the other Subsidiaries (defined below), engaged in the manufacture, processing, marketing, and sale of metal surface treatment and finishing solutions and related products (such business as conducted by the Group Companies (defined below), the “**Business**”);

WHEREAS, AG Japan owns 4,825,058,505 ordinary shares of the Company, AG Chorus owns 2,022,279,762 ordinary shares of the Company, and AG Concert owns 2,026,661,733 ordinary shares of the Company (such ordinary shares of the Company owned by AG Japan, AG Chorus and AG Concert, collectively, the “**Shares**”), and the Shares represent all issued and outstanding shares in the Company;

WHEREAS, the Sellers wish to sell to the Buyer, and the Buyer wishes to purchase from the Sellers, the Shares on the terms and subject to the conditions in this Agreement; and

WHEREAS, in consideration for the Sellers and the Buyer entering into this Agreement, the Parent has agreed to guarantee the performance of certain financial obligations of the Buyer under this Agreement and the other Transaction Documents (defined below).

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the Parties hereby agree as follows:

SECTION 1 **Definitions and Construction**

1.1 Definitions. As used in this Agreement, the following terms have the meanings attributed to them in this Section 1.1.

“**2020 SPA**” means that certain Share Transfer Agreement dated as of May 29, 2020, by and among the Company and the Toei Call Option Sellers, as amended June 1, 2020, July 29, 2020 and September 20, 2024.

“**Accounts Date**” means June 30, 2024.

“**Affiliate**” means, with respect to a Person, any other Person Controlling, Controlled by or under common Control with that Person.

“**Affiliate Contract**” means any Contract between any Seller or any of its Affiliates (excluding the Group Companies), on the one hand, and any Group Company or any director or officer of any Group Company (other than the Resigning Directors and Statutory Auditor), on the other hand.

“**AG Chorus**” is defined in the preamble of this Agreement.

“**AG Concert**” is defined in the preamble of this Agreement.

“**AG Entities**” is defined in Section 10.2(a).

“**AG Japan**” is defined in the preamble of this Agreement.

“**Agreement**” is defined in the preamble of this Agreement.

“**Ancillary Agreements**” means the Bonus Agreements

“**Anti-social Force**” means (a) an organized crime group, (b) a member of an organized crime group, (c) a Person for whom less than five (5) years have passed since that Person ceased to be a member of an organized crime group, (d) an associated member of an organized crime group, (e) a corporation related to an organized crime

group, (f) a *sokaiya* (corporate racketeer), a *shakai undo to hyobo goro* (a group that engages in criminal activities but operates under the guise of a social movement), or a *tokushu chino boryokushudan* (a group that illegally uses a relationship with an organized crime group for its own interest), or (g) any other Person similar to any of the foregoing (a) through (f).

“**Bankruptcy Procedure**” means a petition (including a similar petition filed outside Japan) of bankruptcy (*hasan*), civil rehabilitation procedure (*minji saisei*), corporate reorganization procedure (*kaisha kousei*), special liquidation (*tokubetsu seisan*), special conciliation (*tokutei-chotei*) or any other legal procedure, or out-of-court reorganization (*shiteki-seiri*) or business reorganization ADR.

“**Benefit Schemes**” means, with respect to a Group Company, all defined-benefit, defined-contribution or other similar employee benefit schemes maintained by such Group Company on behalf of their employees.

“**Books and Records**” means, with respect to any Person, originals and copies in machine readable or printed form of all registers, books, reports, correspondence, files, records, accounts and documents of such Person.

“**Bonus Agreements**” means the bonus agreements entered into between a relevant Group Company on the one hand and the Retained Management Members on the other hand.

“**Business**” is defined in the recitals of this Agreement.

“**Business Day**” means any day, other than a Saturday or Sunday, on which banks are generally open for business in Japan, the United Kingdom and United States of America.

“**Buyer**” is defined in the preamble of this Agreement.

“**Cash**” means the aggregate amount of cash and cash equivalents held by or on behalf of all Group Companies as at the close of business on the final day of the month immediately prior to the Closing Date derived from the books and records of the Group Companies consistent with past practice and as stated in the Closing Statements. A sample calculation of such aggregate amount of cash and cash equivalents is set forth on **Part 3 of Schedule 2.4**. For the avoidance of doubt, the Closing Statement shall include the long-term loan receivable from NICRO PLATING GROUP as Cash.

“**Claim**” is defined in Section 8.6.1(a).

“**Claim Notice**” is defined in Section 8.6.1(a).

“**Closing**” is defined in Section 2.1.

“**Closing Date**” is defined in Section 2.1.

“**Closing Payment**” is defined in Section 2.4(b).

“**Closing Payment Amount**” is defined in Section 2.5(c).

“**Closing Statements**” means the statements to be prepared and agreed or determined in accordance with **Schedule 2.4**.

“**Company**” is defined in the recitals of this Agreement.

“**Company Group**” means, collectively, the Group Companies.

“**Company Financial Statements**” is defined in paragraph 8 of **Schedule 3.2**.

“**Company’s Account**” means the Company’s bank account notified to the Buyer by the Sellers or the Company no later than five (5) Business Days prior to the expected Closing Date.

“**Competing Business**” means any of ESI Industrials, MacDermid, MKS/Atotech, Yuken, Jasco or Surtec.

“**Competition Authorities**” means the relevant competition authorities of Japan and any other relevant jurisdiction.

“**Competition Laws**” means applicable competition, state aid, anti-trust, anti-restrictive or anti-abusive trade practice or merger control laws, including without limitation Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of April 14, 1947).

“**Continuing Employee**” is defined in Section 6.1.

“**Contract**” means any legally binding agreement, contract, obligation, promise, arrangement or undertaking in writing.

“**Control**” means, with respect to any Person, the power to direct or cause the direction of the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; and the terms “**Controlling**” and “**Controlled**” have meanings correlative to the foregoing.

“**DA**” is defined in Exhibit A.

“**Data Room**” means the online data room prepared for the due diligence related to the Transaction, located on the Datasite platform as of 11:59 pm Japan time on the date that is three (3) Business Days prior to the Effective Date, a download of which will, for evidential purposes, be delivered in triplicate to Buyer in USB Flashdrive format as soon as reasonably practicable after the Effective Date, which Datasite will send to the addresses and attentions separately notified by Buyer to the Sellers in writing (including by email).

“**DC**” is defined in Exhibit A.

“**DCJ**” is defined in the recitals of this Agreement.

“**DE**” is defined in Exhibit A.

“**De Minimis**” is defined in Section 8.4(a)(i).

“**Debt**” means the aggregate amount (expressed as a positive number) of all borrowings and indebtedness in the nature of borrowings of all Group Companies (other than between Group Companies) as at the close of business on the final day of the month immediately prior to the Closing Date derived from the books and records of the Group Companies consistent with past practice and as stated in the Closing Statements. A sample calculation of such aggregate amount of all borrowings and indebtedness in the nature of borrowings is set forth in **Part 3 of Schedule 2.4**.

“**Deductible**” is defined in Section 8.4(a)(ii).

“**Disclosures**” is defined in Section 3.1.

“**DM**” is defined in Exhibit A.

“**DT**” is defined in Exhibit A.

“**DX**” is defined in Exhibit A.

“**Effective Date**” is defined in the preamble of this Agreement.

“**Encumbrance**” means any charge, claim, community property interest, condition, equitable interest, lien (statutory or other), option, pledge, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership or any other obligation to create any of them.

“**Estimated Cash**” is defined in Section 2.4(a).

“**Estimated Debt**” is defined in Section 2.4(a).

“**Estimated Working Capital**” is defined in Section 2.4(a).

“**EUR**” or “**Euro**” means the single currency of participating member states of the European Union.

“**Exempted Persons**” is defined in Section 6.3(a).

“**GAAP**” means generally accepted accounting principles in the relevant jurisdiction.

“**Governing Documents**” of a Person means the certificate or articles of incorporation, by-laws, memorandum and articles of association or other equivalent constituent documents of such Person.

“**Governmental Authorization**” means any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law.

“**Governmental Body**” means any:

- (a) government of any nation, state, county, city, town, village, district, or other jurisdiction or political subdivision of any nature;
- (b) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or arbitral or other tribunal);
- (c) multi-national organization or body; or
- (d) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

“**Group Companies**” mean the Company and the Subsidiaries, collectively, and “**Group Company**” means any one of them.

“**Indemnified Party**” is defined in Section 8.6.1(a).

“**Indemnifying Party**” is defined in Section 8.6.1(a).

“**Intellectual Property Rights**” means patents, rights in inventions, know-how, show-how and trade secrets, copyright and related rights, moral rights, registered designs, design rights, database rights, semiconductor topography rights, trademarks and service marks, trade names, business names, brand names, get-up, logos, domain names and URLs, rights in unfair competition, goodwill and rights to sue for passing-off and other intellectual property rights (in each case, whether or not registered, and including all applications to register and rights to apply to register any of them, and all rights to sue for any past or present infringement of them).

“**JPY**” or “**Japanese Yen**” means the lawful currency of Japan.

“**Japan FDI Clearance**” means the prior notification to the Bank of Japan required under Japan's Foreign Exchange and Foreign Trade Act for the Transaction.

“**Japan Group Companies**” is defined in Section 6.1.

“**Key Customer**” means any customer of any Group Company: (i) which together with its Affiliates, in the financial year ended on the Accounts Date accounted for, or in the current financial year is among the top ten customers in terms of revenue

of the Company Group on a consolidated basis; or (ii) the cessation of transactions with which would have a Material Adverse Effect on the business of the Company Group taken as a whole.

“**Key Supplier**” means any supplier to any Group Company which: (i) together with its Affiliates, in the financial year ended on the Accounts Date accounted for, or in the current financial year is among the top ten suppliers in terms of expenditures of the Company Group on a consolidated basis; or (ii) cannot readily be replaced without a Material Adverse Effect on the business of the Company Group taken as a whole.

“**Law**” means any national, federal, state, local, municipal, foreign or other legally binding administrative order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

“**Loss**” is defined in Section 8.2.

“**Material Adverse Effect**” means any act, event or omission which has or is reasonably likely to have a material adverse effect upon the financial condition, the performance or the operations of, the Business, taken as a whole, except to the extent that such effect results from: (a) general economic conditions in any of the geographical areas in which the Group Companies operate; (b) any change in the financial, banking or capital markets in general, including any change in interest rates, or any change in markets for currencies or commodities in general (in each case, whether in Japan or any other country or in any international market); (c) conditions generally affecting the industry in which the Group Companies operate; (d) conditions caused by acts of terrorism or war (whether or not declared), including hostilities between Russia and Ukraine, hostilities involving Israel, and related sanctions, direct or indirect supply chain issues, and similar consequences; (e) any natural or man-made disaster, weather or meteorological event, environmental hazard, explosions or fires, epidemics or pandemics (including the COVID-19 pandemic and any developments related thereto), or acts of God; (f) any labor strike, organizing campaign, work stoppage, slowdown or other labor dispute, (g) any actual or potential sequester, stoppage, shutdown, default or similar event or occurrence by or involving any Governmental Body; (h) any action taken or omitted to be taken by the Buyer or any of its Affiliates; (i) any announcement of the pendency of the Transaction; (j) any changes in GAAP or other accounting principles (or interpretations thereof) or any change in applicable Laws or the interpretation thereof; (k) matters which have before or on the Effective Date occurred of which the Buyer was actually aware at the Effective Date and that such matters were reasonably likely to constitute matters which, but for this subsection (k), would have such an effect, (l) compliance with the terms of, or the taking of any action required by, this Agreement or any action taken, or failure to take action, or other changes or events, to which the Buyer has consented, required, or proposed; provided, however, that any failure by the Group Companies to meet internal projections or forecasts or revenue or earnings predictions for any period after the Accounts Date shall not, in and of itself, be deemed to be a Material Adverse Effect.

"Material Contracts" is defined in paragraph 18(b) of **Schedule 3.2**.

"MXN" or **"Mexican Pesos"** means the lawful currency of Mexico.

"Non-Recourse Party" means any Person (i) who is not named as a party to this Agreement and (ii) is any of Seller's or an Affiliate of Seller's former, current or future direct or indirect equityholders, members, managers, general or limited partners, trustees, Affiliates, directors, statutory auditor, officers, employees, advisors, agents, representatives, or successors or assignees (or any former, current or future direct or indirect equityholder, member, manager, general or limited partner, trustee, Affiliate, director, statutory auditor, officer, employee, advisor, agent, representative, or successor or assignee of any of the foregoing).

"Order" means any award, decision, injunction, judgment, order, ruling or verdict entered, issued, made, or rendered by any Governmental Body.

"Ordinary Course of Business" means a transaction entered into or action taken by any of the Group Companies that is consistent with past practices and is taken in the ordinary course of the normal day-to-day operations or business or that is commercially reasonable in light of the then-current operating conditions and developments of any of the Group Companies, but shall not include any transaction or series of transactions that exceeds JPY 10,000,000 in the aggregate.

"Parent Guaranteed Obligations" is defined in Section 10.1(a).

"Party" or **"Parties"** is defined in the preamble to this Agreement.

"Permitted Action" means any action set forth in **Part 1** of **Schedule 5.1**.

"Permitted Encumbrances" means: (a) liens for Taxes not yet due and payable or that the taxpayer is contesting in good faith through appropriate proceedings; (b) statutory liens (*sakidori-tokken*) possessory liens (*ryuchi-ken*) or other like liens arising or incurred in the Ordinary Course of Business or amounts that are not delinquent and which are not, individually or in the aggregate, material to the Business; (c) terms, conditions and restrictions under leases, subleases, licenses, sales contracts or equipment leases, installment plans, finance lease agreements, or occupancy agreements which are not, individually or in the aggregate, material to the Business; (d) non-exclusive licenses of Intellectual Property Rights granted in the Ordinary Course of Business; (e) with the exception of those which concern or affect the title to, or Encumbrances on, the Shares, other imperfections of title to, or Encumbrances on assets, if any, that individually or in the aggregate, do not impair, and are not reasonably likely to impair, the continued use and operation of the assets to which they relate in the conduct of the Business as conducted as of the Effective Date; and (f) those items enumerated in **Part 2** of **Schedule 5.1**.

"Person" means any individual or entity, including a corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint

venture, investment entity, estate, trust, association, organization, labor union, Governmental Body or other entity.

“**Proceeding**” means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body.

“**Pro Rata Portion (Fully Diluted)**” means, with respect to a particular Seller, a fraction, (a) the numerator of which is the number of ordinary shares held by such Seller (on fully diluted, as exercised and/or converted basis) and (b) the denominator of which is the total number of outstanding ordinary shares held by all shareholders of the Company (on fully diluted, as exercised and/or converted basis), as set forth in the table in Section 2.3.

“**PTDI**” is defined in Exhibit A.

“**Purchase Price**” is defined in Section 2.3.

“**Purchase Price Payment Amount**” is defined in Section 2.3.

“**Released Persons**” is defined in Section 6.3(a).

“**Regulatory Remedy**” means any condition, obligation, undertaking, commitment, measure or modification (including, but not limited to, those relating to divestments) requested or accepted by any Governmental Body as a prerequisite to effect a Required Clearance.

“**Required Clearances**” means the Japan FDI Clearance.

“**Resigning Directors and Statutory Auditor**” means Akitoshi Nakamura, Masaya Nakanishi, Taro Tatsumi, Yuichi Shin, Yutaro Hara, and Takumi Ohta as directors, or Toyota Nishima, as the statutory auditor, of the relevant Group Companies.

“**Retained Management Members**” means those members of the Group Companies' management that Buyer has identified for retention post-Closing and who may enter into the Bonus Agreements.

“**R&W Insurance Policy**” means the Buyer's buyer-side representations and warranties insurance policy issued by Beazley Pte Limited on the Effective Date (policy no. W49U3425PPBU) with the Buyer as the named insured and Beazley Pte Limited as the insurer.

“**Seller**” or “**Sellers**” is defined in the preamble to this Agreement.

“**Seller's Account**” means, with respect to each Seller, such Seller's bank account notified to the Buyer by the Sellers no later than five (5) Business Days prior to the expected Closing Date.

“**Sellers' Fundamental Representations and Warranties**” means the representation and warranties given by each Seller as set forth in paragraphs 1 (*Organization, Authorization*), 2 (*No Conflict*), 3 (*Solvency*) and 5 (*Company Shares*) of **Schedule 3.1** and in paragraphs 1 (*Company*) and 2 (*Capitalization*) of **Schedule 3.2**.

“**Sellers' Knowledge**”, “**to the knowledge of Sellers**” or any equivalent term means the actual knowledge of Masaya Nakanishi, Yuichi Shin, Yutaro Hara, Takumi Ohta and Taro Tatsumi, after having made reasonable enquiries of Kazunari Shimamoto, Michiya Konae and Kazushige Takahashi.

“**Shares**” is defined in the recitals of this Agreement.

“**Site Visit**” is defined in Section 5.4(b).

“**Subsidiary**” is defined in paragraph 1 of **Schedule 3.2**.

“**Target Working Capital**” means a positive amount of JPY 3,620,460,233.

“**Tax**” means any tax (including any income tax, use tax, capital gains tax, value-added tax, sales tax, property tax, gift tax, or estate tax), levy, assessment, tariff, duty (including any customs duty), deficiency or other fee, and any related charge or amount (including any fine, penalty, interest, or addition to tax), imposed, assessed, or collected by or under the authority of any Governmental Body or payable pursuant to any tax-sharing agreement or any other Contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency or fee.

“**Tax Benefit**” means the present value of the expected Tax savings attributable to any deduction, expense, loss, credit or refund to the Buyer or any Group Company as a result of any Loss.

“**Tax Return**” means any return (including any information return), report, statement, schedule, notice, form, or other document or information relating to the determination, assessment, collection, or payment of any Taxes, including any schedule, attachment thereto, and including any amendment thereof.

“**Tax Warranties**” means the representation and warranties given by each Seller as set forth in paragraph 35 (*Taxes*) of **Schedule 3.2**.

“**Third Party Claim**” is defined in Section 8.6.2(a).

“**Toei**” is defined in the recitals of this Agreement.

“**Toei Call Option Exercise**” is defined in Section 5.9.

“**Toei Call Option Payment Amount**” is defined in Section 2.5(e).

“**Toei Call Option Payment Portion**” is defined in Section 2.5(d).

“**Toei Call Option Sellers**” means, collectively, Munesato Igarashi, Reina Konae, Sachiko Igarashi, Michiya Konae, Shuma Konae and Keina Konae.

“**Transaction**” means the sale and purchase of the Shares as contemplated by this Agreement.

“**Transaction Documents**” means this Agreement, the Ancillary Agreements and each of the other agreements and documents otherwise required in connection with implementing the transactions contemplated by any of the foregoing, including the Transaction.

“**Working Capital**” means (i) current assets other than Cash; less (ii) current liabilities other than Debt, as at close of business on the final day of the month immediately prior to the Closing Date derived from the books and records of the Group Companies consistent with past practice and as stated in the Closing Statement. A sample calculation of the amounts of (i) less (ii) above is set forth in **Part 3 of Schedule 2.4**.

“**Wuxi**” means WUXI FAN DA SURFACE PROCESSING TECHNOLOGY CO.,LTD. (無錫泛達表面處理技術有限公司).

1.2 Construction. References herein to statutory provisions are references to those provisions as amended or re-enacted or as their application is modified by other provisions (whether before or after the Effective Date) from time to time and include any provisions of which they are re-enactments (whether with or without modification). Any reference to a Contract or other document as of a given date means the Contract or other document as amended, supplemented and modified from time to time through such date. A reference to any Party to this Agreement or any other agreement or document shall include such Party’s predecessors, successors and permitted assigns. A reference to the Company shall not include any Subsidiaries unless specifically referenced.

1.3 Section and Schedule References. References herein to Sections, Schedules, Paragraphs within Schedules, and Exhibits are to sections in and the schedules, paragraphs of any schedules, or exhibits to this Agreement, and the Schedules and Exhibits to this Agreement form part of this Agreement.

1.4 Headings. The headings used in this Agreement are inserted for convenience only and do not affect the construction of this Agreement.

1.5 Interpretation. Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender and neuter. The words “include,” “includes” or “including” shall be deemed to be followed by the words “without limitation.” Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. The terms “hereof,” “herein” and “hereunder” and terms of similar import will refer to this Agreement as a whole and not to any particular provision of this Agreement. Any

reference to “writing” or “written” shall include printing, typing, lithography, transmissions in electronic form (including email) and other means of reproducing words in visible form.

SECTION 2

Closing and Delivery

2.1 Closing. Subject to the terms and conditions of this Agreement, including the satisfaction of the conditions precedent set forth in SECTION 7 (or waiver thereof by the applicable Party or Parties made in writing), the purchase and sale of the Shares shall be consummated at a closing (the “**Closing**”) which will be commenced at 10:00 a.m. Japan Standard Time on (i) April 1, 2025, unless any conditions precedent to Closing in SECTION 7 remain unsatisfied as of March 31, 2025, in which case the Closing shall take place on the date that is the first Business Day of the month following the date on which all conditions precedent to Closing in SECTION 7 have been satisfied (e.g., if the conditions precedent in SECTION 7 are satisfied on the 29th of a month, then the Closing will occur on the 1st of the following month, provided that the 1st is a Business Day (or whichever date is the first Business Day of such month), provided that for determining when the Closing will occur for the purposes of this Section 2.1 only, the conditions precedent to Closing set forth in Section 7.2(c) will be deemed satisfied if provided in draft form or confirmed in possession of Sellers, which shall then be delivered at Closing in accordance with Section 2.5(b) and Section 7.2(c)), or (ii) such other date as the Sellers and the Buyer may mutually agree in writing (such date on which the Closing actually occurs, the “**Closing Date**”).

2.2 Purchase and Sale. At the Closing, subject to the terms and conditions of this Agreement, the Buyer shall purchase from each Seller, and each Seller shall sell, convey, transfer and deliver to the Buyer, all of the Shares owned by such Seller, as set forth in the table in Section 2.3 below, in exchange for the respective Purchase Price Payment Amount (defined below) payable to such Seller. For the avoidance of doubt, at the Closing: (i) each Seller shall only be responsible for the sale and delivery of its own Shares and not those of any other Seller; and (ii) the Buyer shall not be obligated to purchase any Shares unless all Sellers sell and delivers all of their Shares.

2.3 Purchase Price.

(a) The purchase price payable by the Buyer for the purchase of the Shares shall consist of (a) JPY 23,041,000,000, *plus* (b) the Cash, *less* (c) the sum of the Debt and the Toei Call Option Payment Amount; and (d) *plus* the amount of any excess in the Working Capital above the Target Working Capital or *less* the amount of any shortfall in the Working Capital below the Target Working Capital, as the case may be, which shall be paid in cash (collectively, the “**Purchase Price**”).

(b) The Purchase Price shall be allocated among the Sellers in accordance with the following formula, and the respective allocated amount (rounded up to the nearest whole Japanese Yen) shall be paid at Closing to each Seller (or its designee) for

all of the Shares owned by each such Seller (each such allocated payment to each Seller individually being such Seller's "**Purchase Price Payment Amount**"):

Purchase Price Payment Amount =

- (i) the Purchase Price;
- (ii) *multiplied by* the Pro Rata Portion (Fully Diluted) applicable to such Seller's Shares.

Seller	Number of Shares to be Delivered	Pro Rata Portion (Fully Diluted)
AG Japan	4,825,058,505 Shares	4,825,058,505 / 8,874,000,000
AG Chorus	2,022,279,762 Shares	2,022,279,762 / 8,874,000,000
AG Concert	2,026,661,733 Shares	2,026,661,733 / 8,874,000,000
Total	8,874,000,000 Shares	1.00

2.4 Closing Payment & Closing Adjustment.

(a) The Sellers shall notify the Buyer of its best estimates of the Cash, the Debt and the Working Capital ("**Estimated Cash**", "**Estimated Debt**" and "**Estimated Working Capital**", respectively) as of the close of business on the final day of the month immediately prior to the Closing Date by providing a statement substantially in the form set out in **Part 3 of Schedule 2.4** as close as reasonably practicable to, but no later than two (2) Business Days before the Closing Date.

(b) The Buyer shall pay JPY 22,500,000,000 ("**Closing Payment**") on the Closing following confirmation of completion of the Toei Call Option Exercise as described in Section 5.9 and Section 2.5.

(c) Within ten (10) Business Days of the agreement or determination of the Closing Statements in accordance with **Schedule 2.4**: (i) if the Purchase Price as adjusted by the final, agreed Closing Statements exceeds the Closing Payment by JPY500,000,000 ("**Upper Limit**"), the Buyer shall pay the amount of the difference in excess of the Upper Limit to the Sellers (each on the basis of their relevant Pro Rata Portion (Fully Diluted)); or (ii) if the Purchase Price as adjusted by the final, agreed Closing Statements is less than the Closing Payment by JPY500,000,000 ("**Lower Limit**"), each of the Sellers (on the basis of their relevant Pro Rata Portion (Fully Diluted)) shall repay the difference in excess below the Lower Limit to the Buyer.

2.5 *Closing Procedures.* At the Closing, the following transactions shall occur, which transactions shall be deemed to take place simultaneously and no

transaction shall be deemed to have been completed or any document delivered until all such transactions have been completed and all required documents delivered:

(a) prior to and as a condition to delivery of the Closing Payment Amount, the Sellers shall cause the Company to carry out the Toei Call Option Exercise pursuant to Section 5.9 and Section 2.5(e) and Buyer shall facilitate the Toei Call Option Exercise pursuant to Section 2.5(d);

(b) the Sellers shall deliver to the Buyer:

- (i) a request form directing the Company to register the Buyer as the holder of the Shares in the shareholder registry (*kabunushi meibo*) of the Company (*kabunushi meibo meigi kakikae seikyu sho*) duly signed by each such Seller;
- (ii) signed resignations of the Resigning Directors and Statutory Auditor as set forth in Section 5.6;
- (iii) a copy of the Company's minutes of shareholder meeting including a resolution to approve the Transaction as set forth in Section 5.3;
- (iv) a certified copy of Toei's shareholder registry reflecting the transfer of shares from Toei Call Option Sellers to the Company as set forth in Section 5.9; and
- (v) the Company's representative seal registered with the Legal Affairs Bureau.

(c) Subject to completion of the Toei Call Option Exercise, the Buyer shall deliver to each Seller its respective Pro Rata Portion (Fully Diluted) of the Closing Payment applicable to such Seller's Shares (i.e., JPY 12,233,921,158 to AG Japan, JPY 5,127,484,184 to AG Chorus and JPY 5,138,594,658 to AG Concert) ("**Closing Payment Amount**") by wire transfer of immediately available funds, in JPY, to such Seller's Account without any withholding or deduction, with the charges and other expenses for the remittance of each Closing Payment Amount to each Seller's Account to be borne by the Buyer, with such respective Closing Payment Amount wire transfer: (i) to be received by AG Japan at the Closing, (ii) to have been initiated or caused to be initiated at the Closing for AG Chorus and AG Concert, with (x) a certificate signed by an officer of the Buyer and delivered to the Sellers at the Closing, certifying that the Buyer has irrevocably initiated or caused to be initiated its wire transfer process in order to pay or cause to be paid the relevant Closing Payment Amount to AG Chorus and AG Concert, and (y) evidence of such irrevocable initiation in the form of a printout or other evidence from the Buyer's banking institution to the Sellers' satisfaction, and (iii) to be completed and received with respect to AG Chorus and AG Concert in accordance with the foregoing subclause (ii) within two (2) Business Days following the Closing;

(d) to facilitate the Toei Call Option Exercise, the Buyer shall deliver an amount equal to JPY 5,249,078,550 (the “**Toei Call Option Payment Portion**”) by wire transfer of immediately available funds, in JPY, to the Company’s Account without any withholding or deduction, with the charges and other expenses for such remittance to be borne by the Buyer;

(e) the Sellers shall cause the Company to deliver the relevant portion of the amount equal to JPY 8,749,078,550 (the “**Toei Call Option Payment Amount**”), including the Toei Call Option Payment Portion received by the Company pursuant to Section 2.5(d), by wire transfer of immediately available funds, in JPY, to each Toei Call Option Seller, without any withholding or deduction, with the charges and other expenses for such remittance to be borne by the Company; and

(f) the Sellers shall cause the Company to deliver any Bonus Agreements, if agreed to in final form by the relevant Retained Management Member at least three (3) Business Days prior to the Closing Date.

SECTION 3

Representations and Warranties of each Seller

3.1 Representations and Warranties Concerning each Seller. Except for facts or circumstances contained in the information (a) disclosed in connection with the Transaction by any Seller or Group Company or their advisors to the Buyer or its Affiliates or their advisors prior to the Effective Date (including information disclosed in the Data Room, information memoranda, vendor due diligence reports, projections, estimates, management presentations, budgets and financial data), (b) disclosed in **Schedule 5.1**, or (c) known by the Buyer or its Affiliates or their advisors or reasonably expected to be known by the Buyer or its Affiliates or their advisors as of the Effective Date (the foregoing subclauses (a) through (c), collectively, the “**Disclosures**”), each Seller acting severally and not jointly hereby represents and warrants to the Buyer, as of the Effective Date and as of the Closing Date (except to the extent such representations and warranties expressly relate to a specified date, in which case as of such specified date), that each of the statements as set forth in **Schedule 3.1** with respect to such Seller is true and accurate (it being understood that each Seller represents and warrants each of the statements set forth in **Schedule 3.1** only with respect to matters concerning itself and not with respect to matters concerning any other Seller).

3.2 Representations and Warranties Concerning the Group Companies. Except for facts or circumstances contained in the Disclosures, each Seller acting severally and not jointly hereby represents and warrants to the Buyer, as of the Effective Date and as of the Closing Date (except to the extent such representations and warranties expressly relate to a specified date, in which case as of such specified date),

that each of the statements as set forth in **Schedule 3.2** with respect to the Group Companies is true and accurate.

3.3 *Disclosures*

(a) All information set forth in the Disclosures shall be deemed to be an exception to all relevant representations and warranties set forth in Sections 3.1 and 3.2. The inclusion of any item of disclosure in the Disclosures is not intended to imply that such item necessarily meets any monetary or materiality standard that requires it to be disclosed, and in any dispute or controversy among the Parties the Buyer shall not use the inclusion of any item of disclosure in the Disclosures as being indicative that any obligation, item or matter not described or included in the Disclosures is or is not required to be disclosed (including whether the amount or items are required to be disclosed as material or threatened). The information contained in the Disclosures is disclosed solely for the purposes of this Agreement, and no information contained therein shall be deemed to be an admission by any Party to any third party of any matter whatsoever (including any violation of Law or breach of any Contract).

(b) Except for the representations and warranties made pursuant to Sections 3.1 and 3.2, none of the Sellers, the Group Companies or their advisors has made or makes any other express or implied representation or warranty, either written or oral, on behalf of any Seller, the Group Companies or their advisors, including any representation or warranty as to the accuracy or completeness of any information regarding the Group Companies furnished or made available to the Buyer and its advisors or as to the future revenue, profitability or success of the Group Companies, or any representation or warranty arising from statute or otherwise in Law.

SECTION 4 **Representations and Warranties of the Buyer**

4.1 *Buyer's Representations and Warranties.* The Buyer hereby represents and warrants to each Seller, as of the Effective Date and as of the Closing Date (except to the extent such representations and warranties expressly relate to a specified date, in which case as of such specified date), that each of the statements as set forth in **Schedule 4.1** is true and accurate.

SECTION 5 **Pre-Closing Covenants**

5.1 *Ordinary Course of Business.* From the Effective Date until the Closing Date, except (a) as otherwise contemplated by this Agreement, (b) as required by applicable Law (including without limitation, any “gun-jumping” regulations under relevant Competition Laws) or by Contracts in effect on the Effective Date that have been disclosed in the Disclosures prior to the Effective Date, (c) as set forth in **Part 1 of Schedule 5.1** (*Permitted Actions*) or (d) as the Buyer shall otherwise consent in writing (which consent shall not be unreasonably withheld, conditioned or delayed and shall be deemed to have been given if the Buyer fails to respond in writing within five (5)

Business Days after its receipt of a request for consent from the Sellers), the Sellers shall cause the Group Companies to conduct the Business in the Ordinary Course of Business. Prior to the Closing, Sellers shall promptly notify Buyer of any fact or circumstance pertaining to the Group Companies which, to Seller's Knowledge, arises after the Effective Date (in reasonable detail) that would decrease, impair or otherwise materially affect the value of the Group Companies' assets, goodwill, current business relationships or financial position. Sellers will cause each Group Company to not do (or agree to do, conditionally or unconditionally) any of the following:

- (i) amend or modify its Governing Documents;
- (ii) issue or dispose of any shares, stock acquisition rights (*shinkabu-yoyakuken*) or other equity securities;
- (iii) effect any reduction of its stated capital (*shihon kin*) or capital reserve (*shihon junbi kin*);
- (iv) acquire (by merger, demerger, acquisition of stock or assets or otherwise) or dispose (by sale, transfer, conveyance, abandonment or cancelation) of (1) any shares or any other interest in any company, business or partnership, (2) any real property or interest in real property, (3) any Intellectual Property or (4) any other business or material asset that exceeds JPY 10,000,000 whether in a single transaction or a series of transactions, except to the extent conducted only between the Group Companies;
- (v) merge with any other Person or implement any demerger (*kaisha bunkatsu*), share-to-share transfer (*kabushiki koukan*), share delivery (*kabushiki kofu*) or share exchange (*kabushiki iten*), except to the extent conducted only between the Group Companies;
- (vi) make any capital expenditure or commitment that exceeds JPY 10,000,000 whether in a single transaction or a series of transactions;
- (vii) declare or make any dividend or make or receive any loan, except to the extent conducted only between the Group Companies;
- (viii) except as required by changes in applicable Law or changes in GAAP, change any material accounting method;
- (ix) grant any interest in any Intellectual Property that it owns;
- (x) cancel or fail to renew any registration of any registered Intellectual Property that it owns;
- (xi) create any Encumbrance over and any of its assets or undertaking (except for Permitted Encumbrances or in the Ordinary Course of Business);
- (xii) enter into, amend or terminate any Material Contract or arrangement including any Contract or arrangement that is with a Key Customer or Key Supplier, which involves expenditure or liabilities in excess of JPY 10,000,000;

- (xiii) cancel or fail to renew any of its insurance policies or omit to do anything which would make such policy void or voidable;
- (xiv) give any guarantee or indemnity in relation to the obligations or liabilities of any other Person;
- (xv) commence or settle any Dispute or legal or arbitral Proceedings involving an amount in excess of JPY 10,000,000;
- (xvi) make any material changes to the terms and conditions of employment (including remuneration and benefits of any of its officers or employees) other than salary increases in the Ordinary Course of Business but not exceeding 2%;
- (xvii) enter into, amend or terminate any collective agreements or other arrangements with any trade union, works council or other employees' representative body;
- (xviii) establish, participate in or contribute to any new pension scheme or grant any new retirement, death or disability benefit;
- (xix) change, discontinue or exercise any discretion in relation to any existing pension scheme or retirement, death or disability benefit, or announce any plan, proposal or intention to do so; or
- (xx) dissolve or liquidate.

5.2 *Governmental Authorizations.*

(a) Between the Effective Date and the Closing Date, the Buyer shall, and shall cause its Affiliates to, at its own expense (including all filing fees and expenses of advisors) use its best efforts to take all steps required to obtain all Required Clearances and any other Governmental Authorizations that are required or advisable for the consummation of the Transaction, and the Sellers shall, and shall cause the Group Companies to, provide the Buyer with commercially reasonable cooperation with respect to such steps.

(b) Without limiting the generality of the foregoing, the Buyer shall complete as soon as reasonably practicable following the Effective Date any filings necessary to obtain the Required Clearances in accordance with applicable Law. In order to obtain the Required Clearances, the Buyer shall, at its own expense (including all filing fees and expenses of advisors) (i) provide to any competent Governmental Body as promptly as reasonably practicable any additional information requested pursuant to any applicable Law and take all other procedural actions required in order to obtain the Required Clearance or to cause any applicable waiting periods to commence and expire, (ii) as soon as reasonably practicable, provide the Sellers with copies of any material written communication received or sent (or written summaries of any non-written communication) in connection with any Proceeding, (iii) determine in discussion with Sellers and their advisors whether it would be appropriate to have Sellers and their advisors participate in any or certain meetings and conferences with any competent

Governmental Body (in case of each of (ii) and (iii), to the extent legally permissible under applicable Laws), and (iv) take or cause to be taken all steps necessary in order to obtain the Required Clearances promptly.

5.3 *Approval of Shareholders Meeting of the Company.* On or before the Closing Date, the Sellers shall procure the approval of the Transaction at a shareholders meeting of the Company.

5.4 *Access Pending Closing.*

(a) For performance of the transactions contemplated by this Agreement, prior to the Closing Date, the Sellers shall procure that each Group Company shall (subject to its confidentiality obligations and to the extent permitted by applicable Laws, including without limitation any obligations under “gun-jumping” regulations under relevant Competition Laws): (i) keep the Buyer informed about matters of material importance to the Business, (ii) promptly provide such information about the Business, assets and affairs to the Buyer as it reasonably requests, and (iii) (subject to reasonable prior notice having been given to the Sellers) allow the Buyer and its representatives reasonable access to its premises, books and records during normal business hours without interference or undue burden to any Group Company’s day-to-day business operations.

(b) With respect to Section 5.4(a)(iii), any access provided to Buyer or its representatives to any Group Company premises (each, a “**Site Visit**”) shall be accompanied at all times by one or more representatives of the Sellers or other designees, and the Buyer shall, and shall cause its representatives to, obey all requests and instructions with respect to such Site Visit, including any restrictions or requirements to be undertaken prior to or during such Site Visit.

(c) Notwithstanding anything to the contrary in this Agreement, nothing in this Section 5.4 shall require the Group Companies to disclose any information to the Buyer if such disclosure (i) could reasonably cause any competitive harm to the Group Companies if the Transaction is not consummated, (ii) could reasonably result in the waiver of any attorney-client privilege, or (iii) could reasonably result in a violation of applicable Law or any Contracts. The Buyer will hold in confidence all information so obtained in accordance with SECTION 10.

5.5 *No Contact or Solicitation.* Until the Closing Date, (a) except with the express written consent of the Sellers, the Buyer and its Affiliates shall not, and the Buyer and its Affiliates shall not knowingly encourage or participate with any other Person to, directly or indirectly, initiate or maintain contact (except for those made in the ordinary course of business of the Buyer or such Affiliate consistent with past practice as conducted prior to the Effective Date) with any officer, director, employee, customer, supplier, lessor, lessee, licensor, licensee, competitor, shareholder or lender of any Group Company or other Person with whom any Group Company does business, regarding any Group Company or the Transaction; and (b) except with the express

written consent of the Sellers, the Buyer and its Affiliates shall not, and the Buyer and its Affiliates shall not encourage or participate with any other Person to, directly or indirectly solicit or offer to hire or hire any officer, director or employee of any Group Company.

5.6 *Resignation and Appointment of Directors and Statutory Auditor.*

(a) On or before the Closing Date, the Sellers shall cause to be delivered to the Company duly signed resignations of the Resigning Directors and Statutory Auditor which shall take effect as of the Closing Date.

(b) The Buyer shall, on the Closing Date and immediately after the Closing, (i) cause shareholders' meetings of the Group Companies to be held or written resolutions in lieu of such meetings to be passed, at which meetings or by which resolutions such number of directors and statutory auditors of the Group Companies shall be appointed as necessary to cause the number of directors and statutory auditors of such Group Companies to be at least equal to the minimum number provided for by Law and the respective Governing Documents of each Group Company and (ii) cause each Group Company to make an application for commercial registration of the resignation of the Resigning Directors and Statutory Auditor and appointment of such newly appointed directors and statutory auditors.

5.7 *R&W Insurance.* At all times during the duration of the R&W Insurance Policy as in force on the Effective Date, the Buyer shall:

(a) not amend or make variations to the R&W Insurance Policy that will or may reasonably be expected to adversely affect any Seller;

(b) not novate or assign the R&W Insurance Policy if such novation or assignment will or may reasonably be expected to cause any diminution in the rights of any Seller;

(c) not do or omit to do anything that will or may reasonably be expected to cause any right under any part of the R&W Insurance Policy to cease to have full force or effect in any manner which would or may reasonably be expected to adversely affect any Seller;

(d) comply with all terms and deliverables under the R&W Insurance Policy to the extent failure to so comply would or may reasonably be expected to adversely affect any Seller; and

(e) obtain from the insurer under the R&W Insurance Policy an express waiver and release of its rights of subrogation and contribution (or any similar or equivalent rights).

5.8 *Termination of Affiliate Contracts.* The Sellers shall procure that (a) all existing Affiliate Contracts shall be duly terminated prior to the Closing, and (b) none of

the Group Companies shall owe any obligations under any of the Affiliate Contracts after Closing.

5.9 *Exercise of Toei Call Option.* Prior to or at the Closing, the Sellers shall cause the Company to take all commercially reasonable steps pursuant to the 2020 SPA such that all issued and outstanding shares of Toei held by all Toei Call Option Sellers will be transferred to the Company at or prior to the Closing (the “**Toei Call Option Exercise**”).

SECTION 6

Post-Closing Covenants

6.1 *Employment on and after the Closing.* For a period of no less than two (2) years following the Closing Date, the Buyer shall use reasonable best efforts to ensure (or cause an Affiliate of the Buyer to ensure), with respect to each employee of Toei and DCJ (collectively, the “**Japan Group Companies**”) who is so employed as of immediately prior to the Closing Date and who continues in employment with any member of the Japan Group Companies (each, a “**Continuing Employee**”), that (a) a member of the Japan Group Companies will continue to employ such Continuing Employees; and (b) each member of the Japan Group Companies will provide its respective Continuing Employees with: (i) a base salary or an hourly wage rate, as applicable, bonus opportunities (including annual bonus opportunities and/or commissions opportunities, as applicable) that are no less favorable than the base salary or hourly wage rate, or bonus opportunities provided to each such Continuing Employee immediately prior to Closing, (ii) other perquisites and employee benefits (including, without limitation, vacation, sick time, or other paid time off, health, welfare, and retirement benefits (including any employer contributions made pursuant to a retirement plan)) that are no less favorable, in the aggregate, than those provided to such Continuing Employees immediately prior to Closing, and (iii) severance benefits that are no less favorable than the severance benefits provided to such Continuing Employee immediately prior to Closing.

6.2 *Maintenance of Company Name.* Except with respect to the Company and Toei, for a period of no less than three (3) years following the Closing Date, the Buyer shall, and shall cause each Group Company to, continue to maintain, and not amend or change, the name or trade name of such Group Company, including in their respective Governing Documents and in any marketing or promotional materials of the Business, unless the Buyer first discusses in good faith any such changes with the management members of the Company Group.

6.3 *General Release.*

(a) From and after the Closing Date, except for any Claim that the Buyer may have under this Agreement against any Seller (only to the extent set forth herein and subject to all applicable limitations including those set forth in SECTION 8), the Buyer and its Affiliates hereby irrevocably and unconditionally release and forever

discharge (i) each former and current director, statutory auditor, employee and officer of any Group Company who was appointed, seconded, or dispatched by any Seller, any of its Affiliates, or any of their respective direct or indirect equityholders or general partners, and each Toei Call Option Seller (collectively, the “**Exempted Persons**”), from any and all liability related to, concerning or arising from, directly or indirectly, their acts or omissions as a director, statutory auditor, officer, employee, or consultant of any Group Company, and (ii) each Seller (save to the extent related to the Recourse Exemption) and its respective Affiliates, and each of their respective former and current direct or indirect equityholders, directors, statutory auditors, officers, employees, general or limited partners, members, representatives, advisors, agents, trustees or other representatives, successors and assigns (collectively with the Exempted Persons, the “**Released Persons**”) from any and all liability related to, concerning or arising out of, directly or indirectly, whether known or unknown, the Business or any Group Company. From and after the Effective Date, the Buyer and its Affiliates agree not to, directly or indirectly (including in a derivative proceeding), assert any claim or demand, or to commence, institute or maintain, or to cause to be commenced, instituted, or maintained, or to facilitate or assist any other party in commencing, instituting or maintaining, any Proceeding of any kind, in law or in equity, against any of the Exempted Persons based upon or with respect to their acts or omissions as a director, statutory auditor, officer, employee, or consultant of any Group Company or against the Released Persons based on or with respect to the Business or any Group Company.

(b) Notwithstanding anything contained in this Agreement or the Transaction Documents to the contrary, the Buyer on its own behalf and on behalf of its Affiliates (i) acknowledges and agrees that no Non-Recourse Party shall have any liability relating to this Agreement, the Transaction Documents, or any of the transactions contemplated herein (including the Transaction), and (ii) hereby irrevocably and unconditionally releases and forever discharges the Non-Recourse Parties from any and all liability related to, concerning or arising out of, directly or indirectly, whether known or unknown, this Agreement, the Transaction Documents, the Business, any Group Company, and any of the transactions contemplated herein (including the Transaction).

(c) Notwithstanding anything contained in this Agreement to the contrary, this Section 6.3 shall survive the Closing indefinitely and shall be binding, jointly and severally, on all successors and assigns of the Buyer and its Affiliates (including the Group Companies). In the event that the Buyer or its Affiliates (including the Group Companies) or any of their respective successors or assigns consolidates with or merges into any other Person and shall not be the continuing or surviving entity of such consolidation or merger or transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that such successors and assigns shall succeed to the obligations set forth in this Section 6.3.

6.4 *Company Documents.* For a period of seven (7) years after the Closing Date, or such longer period as may be required under applicable Law, the Buyer shall

cause the Group Companies to retain all Books and Records relating to the Group Companies and to give each Seller, upon written notice by such Seller, reasonable access during business hours to such Books and Records for the purposes of preparing Tax Returns or defending any claim or Proceeding that may be made or threatened against any Seller or its Affiliates in relation to the Group Companies. The Sellers may make or retain copies of any such Books and Records relating to the Group Companies that relate to the period prior to the Closing Date to enable Seller to comply with its legal obligations (including related to Tax and Tax Returns) which may arise after the Closing Date.

6.5 *Tax Matters.* The Buyer shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns of the Company Group that are due after the Closing Date for periods that correspond to Sellers' ownership of the Company Group. After the Closing and only in respect of such periods that correspond to Sellers' ownership of the Company Group, without the prior written consent of the Sellers, the Buyer shall not, and shall not cause or permit any Group Company to, make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return or in any Tax Proceeding, or otherwise take any action, omit to take any action or enter into any other transaction, in each case to the extent any such action or omission could reasonably be expected to have the effect of increasing any Tax liability or reducing any Tax asset of the Sellers or their Affiliates or otherwise adversely affecting the Sellers or their Affiliates.

6.6 *Non-Solicitation.*

Each Seller severally covenants with the Buyer and the Group Companies that it shall not, for a period of three (3) years after the Closing Date, either for itself or jointly with or for any other Person, directly or indirectly, solicit, employ or engage any Person who was an employee of any Group Company at any time during the six (6) month period ending on the Closing Date. Nothing in this Section 6.6 shall prohibit any Seller from employing any Person who responds to a recruitment advertisement (including by direct solicitations or engagements via third party recruiting agencies not specifically instructed by any Seller, directly or indirectly, to target any employees or former employees of any Group Company) or whose employment with the Buyer or Group Companies has ceased, provided that such response or cessation was not solicited or induced directly or indirectly by a Seller.

6.7 *Non-Compete.*

Each Seller severally covenants with the Buyer and the Group Companies that it shall not for a period of two (2) years after the Closing Date, either for itself or jointly with or for any other Person, directly or indirectly: own, invest, or manage a Competing Business or (ii) for the benefit of a Competing Business, solicit or accept the custom of any Person who at any time during the twelve (12) month period ending on the Closing Date was a customer of any Group Company, or who was negotiating with a Seller or any Group Company with a view to that Person becoming a customer of any Group

Company. Nothing in this Section 6.7 shall prohibit a Seller from holding up to five (5%) percent of the shares in a Competing Business listed or traded on any securities exchange or performing its obligations as a contractor for the Buyer or the Group Companies.

6.8 *Consent Cooperation.* For a period of one (1) year after the Closing, and to the extent that any counterparties to a Contract of any of the Group Companies requires the consent of the Sellers (as distinct and separate from that of the Group Companies) in connection with any change of control clause contained therein as a result of the Transaction, Sellers will, upon proper notice by Buyer, use their commercially reasonable efforts to assist Buyer in providing such consent.

SECTION 7

Conditions Precedent

7.1 *Conditions Precedent of the Buyer and the Sellers.* The obligation of the Buyer and the Sellers to consummate the Closing is subject to the fulfillment on or before the Closing Date of each of the following conditions, unless waived in writing by the Buyer and each Seller:

(a) No Law or Order shall have been enacted, entered, promulgated or enforced by any Governmental Body which prohibits, restrains, enjoins, restricts or makes illegal the Transaction.

(b) All Required Clearances shall have been obtained.

7.2 *Conditions Precedent of the Buyer.* The Buyer's obligation to consummate the Closing is subject to the fulfillment on or before the Closing Date of each of the following conditions, unless waived in writing by the Buyer:

(a) The representations and warranties made by each Seller in Sections 3.1 and 3.2 shall be true and correct in all respects as of the Closing Date (except to the extent such representations and warranties expressly relate to a specified date in which case as of such specified date), except in all cases where the failure of such representations and warranties to be so true and correct does not materially impede the consummation of the Transaction.

(b) All covenants, agreements and conditions contained in this Agreement to be performed by each Seller on or prior to the Closing Date shall have been performed or complied with in all material respects, except in all cases where the failure of such performance or compliance does not materially impede the consummation of the Transaction; and

(c) Sellers shall have delivered all of the closing deliverables set forth in Sections 2.5(b)(i)-(iv) inclusive (provided, however, that in respect of the closing deliverable in Section 2.5(b)(i), a draft form of the document shall be provided, with the

original to be delivered in exchange for delivery of the Closing Payment Amount at Closing).

7.3 *Conditions Precedent of each Seller.* The obligation of each Seller to consummate the Closing is subject to the fulfillment on or before the Closing Date of each of the following conditions, unless waived in writing by each Seller:

(a) The representations and warranties made by the Buyer in Section 4.1 shall be true and correct in all respects as of the Closing Date (except to the extent such representations and warranties expressly relate to a specified date in which case as of such specified date), except in all cases where the failure of such representations and warranties to be so true and correct does not materially impede the consummation of the Transaction.

(b) All covenants, agreements and conditions contained in this Agreement to be performed by the Buyer on or prior to the Closing Date shall have been performed or complied with in all material respects, except in all cases where the failure of such performance or compliance does not materially impede the consummation of the Transaction.

SECTION 8

Indemnities

8.1 *R&W Insurance.* Notwithstanding Section 8.2 or any other provision of this Agreement (except pursuant to Section 8.2(b)), the Buyer's sole recourse with respect to any breach or inaccuracy of any representation or warranty made by any Seller in this Agreement (except in cases of fraud (*sagi*) by a Seller, which is referred to herein as the "**Recourse Exception**") shall be against the R&W Insurance Policy, and the Buyer shall not be entitled to and shall not make any such claims against any of the Sellers. If, or to the extent, such recourse is not successful for any reason, the Buyer shall have no right to seek indemnification from any Seller, but for the avoidance of doubt, excluding any cases involving the Recourse Exception. Notwithstanding any other provision of this Agreement, all costs and expenses in relation to obtaining and maintaining in full force and effect the R&W Insurance Policy (including any premium, the insurer's legal fees, broker's fees and any Tax), shall be borne solely by the Buyer. Under no circumstances shall any Seller bear any liability or obligation in connection with the R&W Insurance Policy. Without limiting the foregoing and except in respect of the Recourse Exception, no Seller shall be under any liability as a result of any inability of the Buyer to recover the full extent of any Loss pursuant to the R&W Insurance Policy, whether by reason of any defect, invalidity, illegality, unenforceability, expiry, termination, or repudiation of the R&W Insurance Policy, any legal limitation, disability, or incapacity of the insurer under the R&W Insurance Policy, or any insufficiency or inadequacy of cover, or any excess payable, in respect of the R&W Insurance Policy or any claim under the R&W Insurance Policy.

8.2 *Indemnities by each Seller.*

(a) Subject to the limitations and other provisions of this Agreement, including the sole recourse obligation under Section 8.1 above, each Seller acting severally and not jointly shall indemnify and hold harmless the Buyer from and against any loss, liability, claim, damage or expense, including reasonable attorneys' fees (each, a "**Loss**"), arising from any breach or non-fulfillment by such Seller of any covenant, agreement or obligation to be performed by such Seller pursuant to this Agreement. Notwithstanding the foregoing, no Seller shall be responsible for any Losses arising from any breach or non-fulfillment by any other Seller of any covenant, agreement or obligation solely applicable to such other Seller. For the avoidance of doubt, no Seller shall be responsible for any Losses arising from any breach of any representation or warranty made by any other Seller under this Agreement.

(b) Each Seller acting severally and not jointly shall indemnify and hold harmless the Buyer from and against any Loss or Claim attributable to or involving the Recourse Exception. Any Loss or Claim concerning the Recourse Exception shall not be subject to any of the limitations on liability set forth on Section 8.1, Section 8.4(a) and Section 8.4(b).

8.3 *Indemnities by the Buyer.* Subject to the limitations and other provisions of this Agreement, the Buyer shall indemnify and hold harmless each Seller from and against any Loss arising from (a) any breach or non-fulfillment by the Buyer of any covenant, agreement or obligation to be performed by the Buyer pursuant to this Agreement or (b) any breach of any representation or warranty made by the Buyer in this Agreement.

8.4 *Limitations on Indemnity Claims.*

(a) No Seller shall be liable in respect of any Claim with respect to the indemnities hereunder:

(i) where the amount of the Losses in respect of any such Claim does not exceed JPY 10,000,000 (the "**De Minimis**") (in which case the amount of any such Losses shall not be indemnifiable and shall not count toward the Deductible); and

(ii) unless the aggregate amount of the Losses in respect of all Claims (other than those excluded for failure to meet the De Minimis) exceeds one-percent (1%) of the Purchase Price (the "**Deductible**"), whereupon, provided the other requirements of this Section 8.4 have been complied with, the Buyer shall be entitled to indemnity for the amount of such Losses in excess of the Deductible.

(b) Each Seller's aggregate liability under this Agreement shall in no event exceed twenty percent (20)% of the Purchase Price paid to such Seller.

(c) All Claim Notices for indemnification by any Seller under Section 8.2 must be sent in accordance with Section 8.6, and (i) in respect of the Sellers' breaches of the Sellers' Fundamental Representations & Warranties, the Tax Warranties, prior to the expiration of five (5) years after the Closing Date, (ii) in respect of the Sellers' breaches

of any representations and warranties other than those contained in (i) above, prior to the expiration of three (3) years after the Closing Date, (iii) in respect of Claims under Section 8.2(a) for breach of covenant, agreement or obligation to be performed prior to the Closing, prior to the expiration of six (6) months after the Closing Date, (iv) in respect of Claims under Section 8.2(a) for breach of covenant, agreement or obligation to be performed after the Closing, prior to the expiration of twelve (12) months after the relevant breach. No Seller shall have any liability with respect to, and shall be fully discharged from, any Claim for which it has not received a Claim Notice prior to the expiration of such period. For the avoidance of doubt, limbs (i) and (ii) in the first sentence of this paragraph are provided solely for the purpose of R&W Insurance Policy and in no event shall the Buyer have any Claims against the Sellers other than in respect of Claims under Sections 8.2(a), 8.2(b) and 8.5(h).

8.5 *Further Limitations on Indemnity Claims.*

(a) The Buyer shall take, and shall cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise to such Loss, which steps include incurring costs to the minimum extent appropriate or necessary to remedy or mitigate the breach that gives rise to such Loss. No Seller shall be liable to the Buyer for any Losses to the extent arising from or aggravated by such Buyer's failure to mitigate such Losses or any other action taken or not taken by such Buyer.

(b) Notwithstanding Section 8.2, the Buyer shall have no right or entitlement to indemnification for Losses to the extent that the Buyer or its Affiliates (including the Group Companies) have already recovered such Losses with respect to the same matter.

(c) Notwithstanding Section 8.2, the Buyer shall have no right or entitlement to indemnification for Losses to the extent such Losses result from or arise out of actions taken (i) by the Buyer or its Affiliates (not including the Company or its subsidiaries) at any time or (ii) by any Group Company or its Affiliates after the Closing.

(d) Payments by the Sellers pursuant to Section 8.2 in respect of any Loss shall be limited to the amount of any liability or damage that remains after (i) deducting therefrom the amount of any Tax Benefit realizable for the benefit of the Buyer or any of its Affiliates (including the Group Companies) with respect to such Losses and (ii) deducting therefrom any insurance proceeds and any indemnity, contribution, reimbursement or other similar payment received or reasonably expected to be received by the Buyer or any of its Affiliates (including the Group Companies) in respect of any such Loss. The Buyer shall recover under insurance policies or indemnity, contribution or other similar agreements with third parties (if any) for any Losses prior to seeking indemnification under this Agreement.

(e) If, at any time following payment in full by the Sellers of any amounts of Losses due under this Agreement, the Buyer actually receives any insurance proceeds or

any indemnity, contribution, reimbursement or other similar payment with respect to such Losses, the Buyer will promptly remit to such Seller such proceeds, payments or reimbursements in an amount not to exceed the amount of the corresponding indemnification payment made by such Seller, in each case after deducting all costs and expenses actually incurred by the Buyer arising out of the claim for, and receipt of, such proceeds, payments or reimbursements.

(f) For the avoidance of doubt, no Seller shall be liable for any Claim for indemnification for Losses to the extent that the facts or circumstances that would give rise to a Claim are contained in the Disclosures and the Claim is not otherwise subject to the Recourse Exception.

(g) With respect to any Losses arising out of the Recourse Exception that may be recovered from the Sellers under Section 8.2(b), the Buyer shall proceed first by making and pursuing a claim under the R&W Insurance Policy, and then, only to the extent such Losses are not covered by the R&W Insurance Policy for any reason (including the coverage limit being exceeded and coverage being denied or exempted), the Buyer shall be entitled to pursue recovery against the Seller(s) directly for such applicable Losses that have not been recovered from the R&W Insurance Policy, with such recovery against the Seller(s).

(h) Notwithstanding anything to the contrary in this Agreement, none of the limitations of liability herein shall apply for claims involving Recourse Exception of a Seller.

8.6 *Procedures for Indemnity Claims.*

8.6.1 *Claims Notices*

(a) In the event that the Buyer (the “**Indemnified Party**”) estimates in good faith that the Indemnified Party has a claim to be indemnified by a Seller or Seller(s) (the “**Indemnifying Party**”) under this SECTION 8 (a “**Claim**”), then the Indemnified Party shall promptly send to the Indemnifying Party a written notice (a “**Claim Notice**”) which shall specify in reasonable detail the grounds for such Claim and the estimated amount of the Loss.

(b) The Claim Notice shall be sent by the Indemnified Party to the Indemnifying Party within thirty (30) calendar days after the Indemnified Party first becomes aware of the facts on which the Claim is based, provided that failure by the Indemnified Party to comply with the foregoing shall have no consequence on the right of the Indemnified Party to make a Claim unless and to the extent the Indemnifying Party was materially prejudiced by such failure.

8.6.2 *Third Party Claims*

(a) Promptly after receipt by the Indemnified Party of any notice of the commencement of any Proceeding against it (the “**Third Party Claim**”), the

Indemnified Party shall, if it plans to make a Claim against the Indemnifying Party in connection with such Proceeding, deliver a Claim Notice (in accordance with the provisions of Section 8.6.1) to the Indemnifying Party of the commencement of such Proceeding.

(b) The Indemnifying Party shall have the right to assume the defense (at its expense) of any Third Party Claim through a counsel of its own choosing by so notifying the Indemnified Party. If the Indemnifying Party assumes such defense, the Indemnified Party shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party, provided that the Indemnifying Party shall control such defense. If the Indemnifying Party chooses to assume the defense of a Third Party Claim, the Indemnified Party shall cooperate in the defense thereof, which cooperation shall include, to the extent reasonably requested by the Indemnifying Party, the retention, and the provision to the Indemnifying Party, of records and information reasonably relevant to such Third Party Claim, and, with respect to the Buyer, making employees of the Group Companies available on a mutually convenient basis to provide additional information and explanation of any materials provided hereunder. The Indemnifying Party shall not be liable under this SECTION 8 for any settlement, compromise or discharge effected without its consent in respect of any Claim for which indemnity may be sought hereunder.

(c) If the Indemnifying Party chooses not to assume the defense of a Third Party Claim, the Indemnified Party shall not settle such Third Party Claim for which the Indemnifying Party has liability hereunder without first obtaining the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed). The obligation of the Indemnifying Party to pay the Indemnified Party the amount awarded under a Third Party Claim shall arise only upon (i) a final decision, judgment or award having been rendered by a Governmental Body or other arbitrator or tribunal with competent jurisdiction and the expiration of the time in which appeal therefrom has elapsed, with respect to such Third Party Claim, (ii) a binding settlement agreement concerning the Third Party Claim having been approved by the Indemnifying Party as provided herein and duly executed by the parties thereto, or (iii) the Indemnifying Party and the Indemnified Party having arrived at a mutually binding agreement with respect to the payment of such Third Party Claim.

8.7 *Exclusivity of Remedies.* The remedies expressly set forth in this SECTION 8 shall be the sole and exclusive remedies of each Party with respect to any Losses for any matter arising out of this Agreement and the Transaction, except for the remedies provided in Section 10.15. Any claim for compensation based on any other cause, including breach of contract (*saimu furiko sekinin*), warranties (*keiyaku futekigou sekinin*), tort (*fuho koi sekinin*) or other causes of action, shall hereby be excluded.

8.8 *All Seller Liabilities Several and Not Joint.* Notwithstanding anything to the contrary in this Agreement, the obligations of the Sellers under this Agreement (including under this SECTION 8) are in all cases several and not joint, and this

Agreement shall not create or be deemed to create or permit or contemplate any joint liability or obligation on the part of the Sellers.

SECTION 9 Termination

9.1 *Termination Prior to Closing.* This Agreement may be terminated prior to Closing as follows:

(a) by the written agreement of the Buyer and the Sellers;

(b) by written notice by the Sellers to the Buyer in the event that the Buyer has breached any of its representations and warranties in this Agreement (except where such breach does not materially impede the consummation of the Transaction) or has materially breached any of its covenants in this Agreement (except where such breach does not materially impede the consummation of the Transaction), in which case such termination shall take effect upon the expiration of fifteen (15) Business Days after the date of such notice if the breach can be cured but the Buyer fails to do so within such fifteen (15) Business Day period; for the avoidance of doubt, any such breach by the Buyer shall not entitle the Buyer to terminate this Agreement and the Sellers shall be entitled, in accordance with Section 10.15, to seek injunctive relief and/or specific performance to compel performance of the Buyer's obligations to consummate the Transaction in accordance with this Agreement;

(c) by written notice by the Buyer to the Sellers in the event that any Seller has breached any of its representations and warranties in this Agreement (except for those where such breach does not materially impede the consummation of the Transaction) or has materially breached any of its covenants in this Agreement (except for those where such breach does not materially impede the consummation of the Transaction), in which case such termination shall take effect upon the expiration of fifteen (15) Business Days after the date of such notice if the breach can be cured but the Seller fails to do so within such fifteen (15) Business Day period;

(d) by written notice with immediate effect by the Buyer to the Sellers in the event that any Seller has materially breached any of the Sellers' Fundamental Representations and Warranties; or

(e) by the Sellers or Buyer, upon written notice to the other, if the Closing does not occur on or before June 2, 2025 or such later date as the Buyer and the Sellers may agree in writing, provided that such Party shall have no right to give notice of termination under this Section 9.1(e) if such Party is then in breach of this Agreement.

9.2 *No Termination after Closing.* This Agreement cannot be terminated by any Party for any reason after the Closing.

9.3 *Effect of Termination.* In the event of the termination of this Agreement, each Party shall promptly return to each other Party, or delete or otherwise destroy, all

confidential information provided by each other Party in connection with this Agreement or the Transaction. Further, in such event no Party hereto shall have any liability or further obligation to any other Party, except that (a) nothing herein shall relieve any Party from liability provided for under this Agreement for any breach of this Agreement, and (b) SECTION 8 (*Indemnities*), this Section 9.3, and SECTION 10 (*Miscellaneous*) and the provisions enabling such Sections to be effective shall survive any such termination. Save for the termination provisions set forth in Section 9.1, there are no other circumstances in which a Party is entitled to terminate this Agreement.

SECTION 10 **Miscellaneous**

10.1 Parent Guarantee.

(a) Parent unconditionally guarantees (*rentai hoshō*) to each Seller the due and timely payment of all sums which become payable by the Buyer to the Sellers under or in connection with this Agreement or any other Transaction Document, and undertakes to cause the Buyer to perform the obligations of the Buyer under this Agreement and each other Transaction Document related to any such payment obligations, which are limited to those payment obligations contained in SECTION 2 and SECTION 8 (the “**Parent Guaranteed Obligations**”). If, for any reason whatsoever or for no reason, the Buyer shall fail, or be unable, to duly, timely and fully pay or perform the Parent Guaranteed Obligations, Parent will forthwith perform, or cause to be performed, the Parent Guaranteed Obligations.

(b) The guarantee contained in Section 10.1 is not affected by any matter which would have the effect of reducing, discharging or abrogating the Parent’s obligations, including (without limitation) any variation or amendment of this Agreement or other Transaction Document, any waiver of any rights or other transaction, arrangement, compromise, release, abandonment, renewal or relinquishment on the part of any party or other Person, or any act, omission or delay on the part of the Sellers.

(c) The guarantee contained in Section 10.1 is to continue and remain in full force and effect until the Buyer has fulfilled all of its payment obligations under and in respect of this Agreement and all other Transaction Documents.

10.2 Non-Disclosure.

(a) For three (3) years after the Effective Date, each Seller and the Buyer shall maintain in confidence, and shall cause their respective directors, officers, employees, agents, and Affiliates to maintain in confidence, and not use for any purpose other than the consummation of the Transaction or the exercise of rights or performance of obligations hereunder, any information obtained from any other Party pursuant to this Agreement (with respect to the Buyer, including any information which relates to any Seller or any of its Affiliates), except to the extent that (i) such information was already known to the receiving Party at the time of disclosure, (ii) such information was

disclosed to the receiving Party by others not bound by a duty of confidentiality, (iii) such information was already publicly available at the time of the disclosure or subsequently becomes publicly available through no fault of the receiving Party, (iv) the use of such information is necessary or appropriate in order for any Seller or the Buyer to comply with this Agreement, (v) the furnishing or use of such information is required by Laws or in connection with a Proceeding, (vi) with respect to the Sellers, such information is disclosed to (w) the Group Companies or any of Seller's Affiliates (including Aspirant Group Inc. and any other Persons directly or indirectly operated by or engaged with Aspirant Group Inc. or its Affiliates, collectively, "**AG Entities**"), (x) any equityholders, general partners, limited partners, or existing or potential investors of any AG Entity, whether direct or indirect, now existing or in the future, (y) Affiliates of any such Person set forth in the foregoing subclause (x), or (z) any advisors of any Persons set forth in the foregoing subclauses (w), (x) and (y) who are legally bound by confidentiality obligations, or (vii) with respect to the Buyer, such information is disclosed to its advisors who are legally bound by confidentiality obligations. Notwithstanding the foregoing, after the Closing, the Buyer shall not owe any confidentiality obligation set forth in this Section 10.2(a) in respect of information relating to the Group Companies (but excluding any information which relates to any Seller or any of its Affiliates).

(b) The Sellers and Buyer shall also maintain the terms of this Agreement and the Transaction in confidence, and shall cause their respective directors, officers, employees, agents, and Affiliates to maintain the same in confidence, except for any press releases agreed by the Parties in writing, and except to the extent that (i) the disclosure of such information is necessary or appropriate in order for any Seller or the Buyer to comply with this Agreement, or (ii) the furnishing or use of such information is required by Laws or in connection with a Proceeding applicable to or involving such Party or its Affiliates.

10.3 Publicity. Notwithstanding Section 10.2, the Parties shall consult with each other before issuing any press releases or otherwise making any public statements with respect to this Agreement or the Transaction, and no Party shall issue any press release or make any public statement prior to obtaining the other Parties' written approval (which approval shall not be unreasonably withheld), except that no such approval shall be necessary to the extent disclosure may be required by applicable Laws on the condition that prior to such disclosure the disclosing Party provides the other Parties with the draft of such press release or public statement, consults with the other Parties about their content, and takes reasonable efforts to obtain the other Parties' consent for such disclosure.

10.4 Notices.

(a) All notices and other communications required or permitted hereunder must be in writing and written in the English language and shall be effected by (a) personal delivery, (b) delivery by a recognized courier, (c) registered or certified mail,

return receipt requested, (d) facsimile transmission accompanied by electronic proof of transmission or (e) email transmission to the following addresses:

(i) if to AG JAPAN:

#1001, ARK Hills Front Tower
2-23-1, Akasaka, Minato-ku, Tokyo, Japan 107-0052
Attention: Investment Division, Aspirant Group Inc.
Email: agfm@aspirantgroup.jp

(ii) if to AG Chorus:

190 Elgin Avenue, George Town, Grand Cayman KY1-9008
Attention: Walkers Corporate Limited
Email: aspirant@iqeq.com
agfm@aspirantgroup.jp

(iii) if to AG Concert:

190 Elgin Avenue, George Town, Grand Cayman KY1-9008
Attention: Walkers Corporate Limited
Email: aspirant@iqeq.com
agfm@aspirantgroup.jp

(iv) if to the Buyer:

901 E. Hector Street, One Quaker Park, Conshohocken, PA 19428-2380, United States of America
Attention: Robert Traub, c/o Quaker Houghton
Email: robert.traub@quakerhoughton.com

and

Beacon Road, Trafford Park, Manchester, United Kingdom M171AF
Attention: Arman Hemani, c/o Houghton Limited
Email: arman.hemani@quakerhoughton.com

(b) Any such notice or other communication shall be deemed given on the date on which it is received by the addressee if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice or communication shall be deemed to have been received on the following Business Day in the place of receipt.

10.5 Expenses.

(a) Except as otherwise provided in this Agreement, each Party will bear its respective fees and expenses (including fees or compensations to its legal counsel or other advisors) incurred in connection with the preparation, negotiation, execution, and performance of this Agreement and the consummation and performance of the Transaction.

(b) All stamp, documentary, and other transfer Taxes (including any penalties and interest, but excluding capital gains Tax) incurred in connection with this Agreement, whether pertaining to the Shares or any assets and properties of the Group Companies, will be paid by the Buyer when due.

10.6 Assignment. No Party shall assign any of its rights or delegate any of its obligations under this Agreement, by operation of law or otherwise, without the prior written consent of each other Party.

10.7 Entire Agreement. This Agreement (which includes the Exhibits and Schedules attached hereto) and the Transaction Documents constitute the full and entire understanding and agreement between the Parties with regard to the subject matter set forth in this Agreement. No Party is liable or bound to any other Party in any manner with regard to the subject matter set forth in this Agreement or any Transaction Document by any warranties, representations or covenants except as specifically set forth in this Agreement or such Transaction Document.

10.8 Amendment, Omissions. Neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Sellers and the Buyer. No delay or omission to exercise any right, power or remedy accruing to any Party upon any breach or default of any other Party under this Agreement impairs any such right, power or remedy of such non-defaulting Party.

10.9 English Language Version. This Agreement has been prepared and executed in the English language. Any translations into any other language that may be prepared by or for any Party are for convenience only and the English language version of this Agreement shall govern.

10.10 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, such provision, to the extent necessary, will be severed from this Agreement, and the Parties will replace such severed provision with a valid and enforceable provision that achieves, to the extent possible, the same economic, business and other purposes of the severed provision. In the event any provision is severed, the balance of this Agreement shall remain enforceable in accordance with its terms.

10.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which is enforceable against the Parties actually executing such counterparts, and all of which together constitute one instrument.

10.12 Governing Law. This Agreement is governed in all respects by the Laws of Japan without reference to its conflict of law principles that would apply the Laws of any other jurisdiction.

10.13 Jurisdiction; Venue.

(a) The Parties hereby agree that the Tokyo District Court shall be the court of first instance having the exclusive jurisdiction over all disputes, controversies or differences arising out of or in connection with this Agreement.

(b) Nothing in this Section 10.13 shall be construed as preventing any party from seeking conservatory or interim relief from any court of competent jurisdiction.

10.14 Damages Limitation. Notwithstanding any other provision of this Agreement, in no event shall the Sellers or the Buyer be liable under this Agreement for punitive damages or any exemplary, special, incidental, indirect or consequential damages of any kind or nature, regardless of the form of action through which such damages are sought. Furthermore, notwithstanding any other provision of this Agreement, in no event shall the Sellers or the Buyer be liable under this Agreement for lost profits, opportunity costs, diminution in value or damages based upon a multiple of earnings, multiple of cash flow, multiple of profits, or similar financial measure, even if under applicable Laws, such lost profits, opportunity costs, diminution in value, or such damages would not be considered consequential or special damages.

10.15 Specific Performance. The Parties hereby acknowledge and agree that the failure of any Party to perform its agreements and covenants hereunder, including its failure to take all actions as are necessary on its part in accordance with the terms and conditions of this Agreement to consummate the Transaction, will cause irreparable injury to each other Party, for which damages, even if available, will not be an adequate remedy. Accordingly, each Party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such Party's obligations and to the granting by any court of the remedy of specific performance of its obligations hereunder.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as of the Effective Date.

AG III INVESTMENT LIMITED PARTNERSHIP

/s/ Akitoshi Nakamura

For and on behalf of

AG III Investment Limited Partnership

acting by its general partner

Aspirant Group Inc.

Name: Akitoshi Nakamura

Title: Chief Executive Officer

IN WITNESS WHEREOF, this Agreement is executed by the Parties as of the Effective Date.

AG CHORUS LIMITED PARTNERSHIP

/s/ Kevin Gilley

For and on behalf of

AG Chorus Limited Partnership

acting by its general partner

AG Chorus Limited

Name: Kevin Gilley

Title: Director

IN WITNESS WHEREOF, this Agreement is executed by the Parties as of the Effective Date.

AG CONCERT LIMITED PARTNERSHIP

/s/ Joel Speight

For and on behalf of

AG Concert Limited Partnership

acting by its general partner

AG Concert Limited

Name: Joel Speight

Title: Director

IN WITNESS WHEREOF, this Agreement is executed by the Parties as of the Effective Date.

QUAKER CHEMICAL CORPORATION,

a Delaware corporation

By: /s/ Robert T. Traub

Name: Robert T. Traub

Title: SVP and General Counsel

QUAKER CHEMICAL CORPORATION,

a Pennsylvania corporation

By: /s/ Robert T. Traub

Name: Robert T. Traub

Title: SVP and General Counsel

EMPLOYMENT CONTRACT

This Employment Contract (“Contract”) is entered into by and between the parties identified below (hereinafter referred to jointly as “Parties” and, individually, as “Party”):

I. On the one part:

(a) **HOUGHTON BRASIL LTDA.**, a *limited* company duly incorporated and existing in accordance with the laws of Brazil, headquartered in the City of Maua, State of Sao Paulo, at Rua Alpont, No. 170, enrolled with the CNPJ/MF under No 57.490.245/0001-61, herein represented by its legal representatives (“Houghton Brazil/Employer”); and

II. On the other part:

(b) **Renato Addas Carvalho**, Brazilian, married, Chemical Engineer, bearer of Identity Card [***] and enrolled with the Individual Taxpayers’ Register (“CPF/MF”) under [***], resident and domiciled in the [***] (“Employee”),

WHEREAS Houghton Brazil offered the position of Managing Director for South America to the Employee and Employee agreed to provide services in that position as of March 1st, 2012;

THEREFORE, the Parties resolve to execute this Contract, under the following terms and conditions:

1. Term, Notice

1.1. The Contract is entered for indefinite term. For being a Contract for indefinite term, any of the Parties may terminate this Contract provided that a notice of at least 30 (thirty) days is given to the other Party (or any other notice period required under applicable laws or collective bargaining agreement). Section 11 of this Contract regulates termination of employment.

2. Duties

2.1. The Employee will perform his duties as Managing Director for South America, reporting to the President of Houghton Americas. However, the Parties agree, for the purposes of article 456, sole paragraph of Consolidated Labor Laws (“CLT”) that Houghton Brazil’s parent company may, at its discretion, assign additional or different duties and services to the Employee without triggering any additional compensation.

2.2. The Employee undertakes to comply with all Houghton Brazil’s internal policies, including its Code of Conduct and articles of association, as well as special instructions and directives from Houghton Brazil.

3. Employment Contract Conditions

3.1. Employee will provide services, essentially in the Headquarters of the Employer, in Brazil or in another location, as directed by the Employer, in Brazilian national territory, but agrees to travel domestically or internationally as required for the performance of Employee’s functions at the discretion of the Employer.

3.2. In case the Houghton requires the Employee to be (1) transferred to any other position in Houghton Brazil or (2) to be transferred to any other legal entity that is Houghton Brazil affiliate, on a permanent or temporary basis, the Parties will negotiate in good faith the terms and conditions to apply to the transfer.

3.3. The Employee will hold position of trust and will be exempt of any work time or attendance control from Houghton Brazil. In that capacity, the Employee will not be entitled to any overtime, under the terms of article 62, II, of CLT.

3.4. The Employee will be entitled to a thirty (30)-day paid vacation period, plus 1/3 allowance on vacation pay, vesting each complete 12-month period of employment.

3.5. Subject to the terms and limits provided under the applicable policy, and provided that the Employee submits appropriate receipts, the Employee will be reimbursed for travel and business expenses incurred in the performance of Employee's duties or while promoting Houghton Brazil's interests.

3.6. Houghton Brazil will furnish the equipments and devices to the Employee and pay the related expenses for their use in the performance of Employee's duties. The *Employees* will return those assets at the request of the Employer or in case of expiration or termination of this Contract.

3.7. The Employee acknowledges that all IT devices, including computers and Houghton Brazil e-mail may be monitored at anytime and Employee agrees to use such devices and e-mail address for professional use only.

3.8. Employee agrees that Employee's personal data can be updated, processed by and shared among Houghton Brazil, its affiliates and agents for purposes associated with the employment relationship.

4. Compensation

4.1. Houghton Brazil will pay to the Employee a monthly base salary in the gross amount of R\$ 47,658.00 as per Houghton regular payroll cycle. The base gross salary will be revised annually under applicable union regulation. Base monthly salary will be subject to all deductions and withholdings of social security and income tax or otherwise as required by law.

4.2. The Employee will receive a 13th month salary in accordance and in the terms of with Brazilian labor law.

4.3. Throughout the Term of this Contract, the Employee will be entitled to an annual bonus payable under the terms, targets and conditions set out in Houghton International's Management Incentive Plan ("MIP"). The terms of MIP are provided under a handbook which is an integral part of this Contract as its Exhibit I.

4.4. The target of the Employee Bonus will be 40% (forty per cent) of Employee's annual salary. For the purpose of this section, annual salary shall mean the aggregate of thirteen (13) times Employee's base salary provided in section 4.1.

4.5. The 2012 bonus will be guaranteed at a minimum of 30% (thirty per cent) of annual salary prorated considering the first day of Employee services. If the commencement date is no later than March 1st, Houghton Brazil will guarantee R\$ 157,244.00 as bonus.

4.6. All incentive payments, if any, will also be subject to all legal deductions.

4.7. Houghton Brazil may also deduct from the compensation provided under this Contract any sums that the Employee may owe, including overpayments, loans or advances made to the Employee by Houghton Brazil or sums paid on Employee's behalf, this one as long as previously authorized. This provision also applies to deduction of amounts related to full or partial costs in connection with benefit plans offered by Houghton Brazil, as provided under the terms of such benefit plans.

4.8. Employee will repay and/or have deducted from compensation or severance pay any and all losses and/or damages caused in the exercise of his duties in case of any fraud or act of gross negligence or in breach of law or Houghton Brazil's articles of association attributable to the Employee.

5. Benefits

5.1. Houghton Brazil will provide Employee with any benefits required under Brazilian legislation and/or applicable union regulations including an annual vacation of 30 calendar days.

5.2. The Employee and legal dependents will be beneficiaries of health and dental insurance comparable to the health and dental insurance provided by Employee's previous employer. The cost of this insurance will be reimbursed or paid directly by Houghton Brazil up to a monthly net limit of R\$ 3,000.00, this limit value will be adjusted annually based on the official index for the health plans. If Houghton is to provide medical and dental insurance which policy is compatible with the one agreed herein, the Employee agrees to become beneficiary along with his dependents, such policy being the reimbursement hereto no longer applicable.

5.3. The Employee will be entitled to use a corporate car for performance of his duties and also for reasonable private use. The Company car is to be driven only by the Employee. Houghton Brazil will be responsible for all costs with maintenance, repairs, insurance, taxes, tolls, parking, fuel and oil required for the performance of Employee's duties. Houghton Brazil will not be responsible, in any occasion, by tickets or fines received by the Employee while using the vehicle. Houghton Brazil will not reimburse parking expenses in respect of any private use of the corporate car.

5.4. Houghton Brazil will contract a life insurance to the Employee of a total of 20 (twenty) monthly base salaries for the cases of Employee's death or disability while employed by Houghton Brazil. The payment will be done to the person indicated by the Employee in the insurance policy.

5.5. Houghton Brazil will pay monthly to the Employee an additional amount of 5% of the monthly base salary as a reimbursement of Private Pension Fund. In case Houghton Brazil establishes a Private Pension Fund to the Employee providing contributions equal to or greater than 5% of monthly base salary, the additional 5% payment stated in 5.5. will be eliminated. In case Houghton Brazil establishes a Private Pension Fund to the Employee providing less than 5% of monthly base salary, the additional 5% payment stated in 5.5. will be reduced by the amount of the value of the Pension Fund provided each month by Houghton Brazil. This additional amount will not be used for the calculation of the annual bonus and will not be part of salary or compensation under the terms of article 458, paragraph second, of Consolidated Labor Laws not affecting the calculation of employment and severance benefits, taxes and contributions.

6. Grant of Stock Options

6.1. The Employee will be granted the option to purchase 1,000 (one thousand) shares of Houghton International stock at a grant price of US\$300 per share. The shares vest 25% per year

on the anniversary of the first day of services. This grant is subject to Houghton International Stock Option Plan attached herewith as Exhibit II.

6.2. In the event that a qualifying transaction occurs under Section 2.5 of Houghton International Stock Option Plan before December 31, 2013 and if the Employee remains employed by Houghton Brazil through the date of such a qualifying transaction's closing, the Employee will be guaranteed a minimum gross payout of US\$ 100,000 (one-hundred thousand dollars).

7. Sign on and Retention Bonus

7.1. Houghton Brazil will pay to the Employee a sign on and retention bonus, in case it is verified any loss of funds from current Employee's retirement program and the Employee timely submits documents evidencing such losses.

7.2. If loss is greater than R\$50,000.00 (fifty thousand reais), sign on bonus will be of R\$50,000.00 (fifty thousand reais), paid 30 (thirty) days after first day of services. If loss is greater than R\$100,000.00 (one hundred thousand reais), the sign on bonus will be of R\$ 100,000.00 (one hundred thousand reais), of which 50% will be paid 30 (thirty) days after commencement date and the other 50% will be paid after 12 (twelve) months of employment.

7.3. If the Employee voluntarily terminates his *employment* contract with Houghton Brazil before the payments above, such payments will be forfeited. If the Employee voluntarily terminates his employment contract with Houghton Brazil between the date the first installment sign on bonus is paid and his first anniversary of employment, the Employee undertakes to reimburse Houghton Brazil for the value of the sign on bonus.

8. Confidentiality

8.1. The Employee acknowledges that a precondition of the employment with Houghton Brazil is his knowledge of confidential informations, exclusives and/or privileged, as well as the intellectual property's rights of the companies of Houghton Brazil's (or of any affiliate or controlling company thereof) For the purposes of this section, Proprietary Information will include, but will not be limited to: inventions, designs, improvements, trade secrets, manufacturing and research processes, formulas, technology, business and marketing strategies, clients list, products list and prices, administrative, business and financial information and knowledge pertaining to Houghton Brazil's internal organization and businesses.

8.2. The Employee undertakes not to disclose, directly or indirectly, to any third party, during the term of this Contract and thereafter, any Proprietary Information of Houghton Brazil, its affiliates or another party to whom Houghton Brazil owes an obligation of confidence.

8.3. The Employee also undertakes not to use for any purpose, in Employee's or in third parties' benefit, any Proprietary Information, during the term of this Contract and after termination thereof,

by any Party, whether, or not, with cause. The Employee finally agrees to keep all Proprietary Information in strict secrecy, even after his employment termination for any reason.

8-4. In addition, during the period of this Contract, the Employee undertakes: (i) to perform his duties in benefit and in the best interest of Houghton Brazil with exclusivity; (ii) not to perform any act or activity that may result in an act of direct; indirect competition with Houghton Brazil's

business; (iii) not participate in business that may offer competition with Houghton Brazil; and (iv) not take any action that may result in a conflict of interests with Houghton Brazil.

9. Intellectual and Industrial Property Rights

9.1. All rights to any improvements and any property rights (“Intellectual/Industrial Property Rights”), written, designed, developed or produced by the Employee during this Contract is property of Houghton Brazil and must be assigned to Houghton Brazil. Houghton Brazil will have the right to freely develop and alter such Intellectual/Industrial Property Right and to license and assign them to third parties.

9.2. The Employee agrees to promptly communicate and share any invention, improvement or intellectual property during the course of the employment and undertakes without any additional compensation to execute all such deeds and documents that, in Houghton Brazil’s sole discretion, are necessary or desirable in order for Houghton Brazil being able to protect, register, maintain and in any other way be able to fully enjoy its rights of intellectual property referred to under this Section.

9.3. Employee must notify Houghton Brazil in writing with respect to any invention, improvement or intellectual property conceived before the signing date of this Contract and of his private property. Absence of such notice will result in any invention, improvement or intellectual property devised by the Employee to be subject to the obligations above.

10. Non Solicitation and Non Disparagement

10.1. The Employee agrees that during his employment with Houghton Brazil and for a period of 1 (one) year after its termination, the Employee will not directly or indirectly:

(i) persuade or try to persuade any employee, executive or service provider (including consultants and sales agents) of Houghton Brazil to terminate their contracts with Houghton Brazil;

(ii) persuade or try to persuade any customer or distributor of Houghton Brazil’s products to stop doing business or reduce the volume of business carried out with Houghton Brazil; and

(iii) make any derogatory public statement damaging Houghton Brazil’s image, regardless of that statement concerns Houghton Brazil’s financial performance, its products, services or any person related, employed or contracted by Houghton Brazil to provide services.

11. Contract Termination

11.1. Apart from all statutory severance pay owed pursuant to Brazilian laws and regulation which will be settled pursuant to the terms and deadlines provided under the law (“Statutory Severance Pay”), the Employee will be entitled upon termination at Houghton’s initiative without Cause, an additional severance pay corresponding to the aggregate of 15.5 (fifteen point five) times Employee’s monthly base salary as provided under section 4.1. (the “Additional Severance Pay”).

11.2. The Additional Severance Pay will be due to Employee’s family in case of Employee’s death while employed by Houghton Brazil before.

11.3. The Additional Severance Pay is provided that the Employee grants in benefit of Houghton Brazil and in benefit of any affiliated or controlling legal entity, a release in material

terms equivalent to those set out in the release form that is an integral part of this Contract as its Exhibit III.

11.4. For the purposes of this Contract, the following events shall be characterized as 'Cause' for employment termination: (i) those listed as such at the article 482, of CLT, or (ii) breach, from Employees' part, of any of the terms contained in this Contractor at the Houghton Brazil' policies or articles of association. Should there be any Cause for termination, no Statutory or Additional Severance Pay will be owed to the Employee.

11.5. Upon termination of this Contract, for any reason, the Employee shall immediately and without any notice return all assets that are proprietary of Houghton Brazil (such as business car, business cards, mobile phone, laptop and documents either original, copies or extracts thereof, whether confidential or not), that might be in his possession.

12. Miscellaneous

12.1. The terms and conditions of this Contract supersede any and all agreements and understandings between the Employee and Houghton Brazil with regard to its object. Any alteration of this Contract will only be valid if agreed upon, in writing, by both Parties.

12.2. Any notice given hereunder will be made in writing and will be deemed effective when delivered in person or sent by mail to the addresses contained at the preamble. The Parties agree to keep the preamble information current, promptly informing the other of any changes to that information.

12.3. Each of the causes of this Contract is enforceable. However, if one or more clauses of this Contract is/are ruled invalid, for any reason, the remaining clauses will remain in full force and effect.

12-4. This Contract will be governed and construed in accordance with Brazilian law. Any dispute must be resolved by the labor Courts with competent jurisdiction where the services are provided.

12.4. This Contract is executed in Portuguese and English versions (except for Exhibits I and II that are executed in English language). In case of any conflict, the Portuguese version will prevail.

In witness whereof, the Parties have signed this Contract in two counterparts, in the presence of two undersigned witnesses, who were present throughout.

Sao Paulo, January 23, 2012

HOUGHTON BRASIL LTDA.

/s/ Charles Santangelo
By Houghton International Inc.
By Charles E. Santangelo
Title: President – Americas

Renato Addas Carvalho
/s/ Renato Addas Carvalho

Witness

Exhibit I
MIP Plan

Exhibit II

Stock Option Plan - Houghton International

Exhibit III

Release. In consideration of the conditions and settlement of Additional Severance Pay, Employee hereby releases Houghton Brasil Ltda., Houghton International Inc. as well as each of its respective quota or shareholders, controlling subsidiaries, affiliated or other related companies, officers, directors, employees, successors, assigns (hereinafter severally and collectively referred to as the “Released Parties”), fully, generally, irrevocably and irreversibly in such a way as to have nothing else to claim from the Released Parties, in any way or at any time or under any title, and in any Court or Tribunal specifically as regards any and all claims, known or unknown, which Employee, his heirs, successors or assigns have or may have against the Released Parties, irrespective of whether such claims are labor claims, lawsuits, demands, causes of action, obligations, damages or liabilities of whatever nature and however denominated or arising including, without limitation, any claims regarding salaries, bonuses, severance payments, fringe benefits, employment benefits, differences thereof, out of payroll compensation, and out of payroll bonuses and other amounts, including reimbursement of expenses, regardless if those benefits are recited in the law, collective bargaining agreement or employment contract, breach of contract, job-related illness or accident and indemnifications of any nature including from damages or pain and suffering related to the employment maintained by the Parties and to its termination.

Offset. It is hereby agreed by the Parties that the amounts hereinabove paid hereunder to Employee, duly restated by the General Index of Market Prices from Fundac;ao Getulio Vargas (“IGPM/FGV”) as of the payment date mentioned above, may at any time, be deducted from and/ or offset against any amount, under any title, awarded, in any court or in any jurisdiction, against the Release Parties in any judicial, administrative or arbitral action or procedure started by Employee seeking relief or payment of any item or titled released under the terms above.

AMENDMENT TO THE EMPLOYMENT CONTRACT

This amendment to the employment contract ("Amendment") is entered between the parties identified below (hereinafter jointly referred to as "Parties" and, individually, as "ffiln:"):

I. On the one part:

(a) **HOUGHTON BRASIL LTDA.**, a limited company duly incorporated and existing in accordance with the laws of Brazil, headquartered in the City of Maua, State of Sao Paulo, at Rua Alpont, No. 170, enrolled with the CNPJ/MF under No 57.490.245/0001-61, herein represented by its legal representatives ("Houghton Brazil/Employer"); and

II. On the other part:

(b) **Renato Addas Carvalho**, Brazilian, married, Chemical Engineer, bearer of Identity Card [***] and enrolled with the Individual Taxpayers' Register ("CPF/MF") under [***], resident and domiciled in the [***] ("Employee"),

(1) **WHEREAS** the Employee executed an employment contract with Houghton Brazil ("Contract") for indefinite term;

(2) **WHEREAS** clause 12.1. of the Contract sets that any amendment of the Contract will only be valid if adjusted in writing;

NOW, THEREFORE, the Parties have mutually agreed to execute this Amendment to modify sole and exclusively the following clauses, which will be effective with the following terms:

6. Grant of Stock Options

6.1. The Employee will be granted the option to purchase 1,000 (one thousand) shares of Houghton International stock at a grant price of US\$ 275.00 per share. The shares vest 25% per year on the anniversary of the first day of services. This grant is subject to Houghton International Stock Option Plan attached to the Contract as its Exhibit II.

6.2 In the event that a qualifying transaction occurs under Section 2.5 of Houghton International Stock Option Plan before December 31, 2013 and if the Employee remains employed by Houghton Brazil through the date of such a qualifying transaction's closing, the Employee will be guaranteed a minimum gross payout of US\$100,000 (one-hundred thousand dollars).

7. Sign on and Retention Bonus

7.1. Houghton Brazil will pay to the Employee a sign on and retention bonus of R\$50,000 (fifty thousand reais), paid on May, 2012

7.2. If the Employee voluntarily terminates his employment contract or is terminated for cause with Houghton Brazil on or before February 28th, 2013, 100% of this payment must be repaid to Houghton Brazil. If the Employee voluntarily terminates his employment contract or is terminated for cause with Houghton Brazil between March 1st, 2013 and February 28th, 2014, the Employee undertakes to reimburse Houghton Brazil 50% of the value of the sign on bonus.

REMAINING TERMS

The remaining terms of the Contract, which do not conflict with this Amendment, remains in full force and effect.

In witness whereof, the parties have signed this Amendment in two counterparts, together with the two undersigned witnesses, who were present throughout.

Mauá, April 19th, 2012.

HOUGHTON BRASIL LTDA.

By **Houghton International Inc.**

By **/s/ Charles E. Santangelo**

Title/Cargo: President – Americas

/s/: Renato Addas Carvalho

CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT, dated March 1, 2025 between QUAKER CHEMICAL CORPORATION, d/b/a QUAKER HOUGHTON, a Pennsylvania corporation (the “Company”) and RENATO CARVALHO (the “Manager”)

WITNESSETH THAT

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. Term of Agreement.

This Agreement shall become effective on your start date with the Company (the “Effective Date”), and shall continue in effect through December 31, 2025, 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 her 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 her 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 her 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 her 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 her 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 her 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 her dependents.

6. Effect of Other Employment.

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 her family); and the Manager's "family" shall mean her parents, her siblings and their spouses, her children and their spouses, and the Manager's spouse and her 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. Other Payments and Benefits.

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 her employment with the Company.

- (i) The Manager agrees that at no time during or following her 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 her possession or control which constitute or contain any Proprietary Business Information.

(b) Noncompetition. The Manager agrees that during her 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 her 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 her 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 her rights under this Agreement at any time during her lifetime, the Company shall pay (or the Manager shall be entitled to recover from the Company, as the case may be) her reasonable attorneys' fees and costs and expenses in connection with the enforcement of her 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 her 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 her 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.

/s/ RENATO CARVALHO

QUAKER CHEMICAL CORPORATION

By: /s/ ROBERT T. TRAUB

Title: SVP, General Counsel & Corporate Secretary

Labor Contracts

Party A's name: Quaker Houghton Investment Management (Shanghai) Co., Ltd

Registered address: 7/8th Floor, Building 3, No. 715, Yingshun Road, Qingpu District, Shanghai

Main person in charge: Ma Jun

Party B's Name: Albert Ma

Address: [***]

Identification Number: [***]

Party A and Party B are in accordance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and thereof.

The relevant provisions of other laws and regulations, on the basis of equality, voluntariness and consensus, agree to sign this contract, altogether and comply with the terms and conditions set out in this contract.

Article 1 The type and duration of the contract

One. Parties A and B shall choose the following forms to determine the term of this contract:

(A) Fixed term: from YYYY-XX to YYYY-XX, a total of months.

(B) Indefinite term: from YYYY-XX to the date of occurrence of the termination conditions prescribed by law or as agreed in this contract.

(C) To complete a certain task as the time limit: from YYYY-XX to when the work task is terminated when it is completed.

Two. The probationary period of this contract for newly hired personnel shall be one month, from YYYY-XX to YYYY-XX.

Article 2 What you do and where you work

One. According to the needs of production work, Party A arranges Party B to work in the department, and where the working place is. Party B shall conscientiously perform the job responsibilities formulated by Party A, and complete the work tasks specified by Party A on time, according to quality and quantity.

Two. Party B understands and agrees that Party A has the right to work according to Party A's business needs, as well as Party B's work ability and work

Reasonable adjustment of Party B's job position, work content and/or work based on factors such as performance, health condition, location, etc.

Three. Party B undertakes that during the performance of this contract, unless Party A agrees in writing, it shall not be paid or gratuitous

Be re-employed by another company or individual (group) in any way, or shall not engage in other activities with the Company

Unrelated business, otherwise it will be regarded as a serious violation of Party A's rules and regulations, and Party A has the right to terminate this contract.

Article 3 Working hours and rest leave

One. Party A implements a 40-hour work week and 8 hours a day. Special positions are subject to the corresponding approved work

Execution of the system. The specific work shifts of Party B shall be arranged by the supervisor.

Two. Party B agrees that during the performance of this contract, Party A shall make changes according to the approval of the human resources and social security department

If the working hours system is applicable to Party B's position, Party A will publish the reply (or notify Party B)

Automatically applies to Party B from the date of notification to Party B.

3. Party B agrees that Party A can arrange Party B to extend working hours or work overtime on public holidays according to the needs of work.

If Party B needs to extend working hours or work overtime due to work, it shall be in advance according to Party A's relevant overtime approval system

Submit a written application and execute it after approval by Party A; Self-extension of work without application or approval from Party A

Working time is not considered overtime. Extended working hours or overtime confirmed by Party A will be paid by Party A in accordance with the law

Pay the corresponding remuneration or give compensatory leave.

Four. Party B enjoys all kinds of paid holidays such as statutory holidays, public holidays and family planning stipulated by the state, and

Enjoy other paid leave according to the paid leave system implemented by Party A.

Article 4 Labor remuneration and welfare benefits

One. Party A shall determine the labor remuneration due to Party B in accordance with the relevant regulations of the company, please refer to the "Acceptance Notice"

for details "Letter Of Understanding" or the latest "Notice of Salary Increase". Party B understands and agrees that Party A

It has the right to work according to Party A's production and operation situation, economic benefits, salary system and Party B's specific work in the future

performance, position change, etc., adjust the labor remuneration due to Party B.

Two. Party B's individual income tax shall be withheld and paid by Party A in accordance with the regulations.

Three. Party A shall handle Party B's pension, unemployment, medical treatment, work-related injury, and other expenses with the social insurance institution in accordance with the relevant provisions of the state.

Maternity insurance and housing provident fund payment involve Party B's personal contributions, and Party A shall pay from Party B's salary

Medium withholding.

Four. Party B understands and agrees that Party A implements a salary confidentiality system. Party B shall keep its own wages strictly confidential,

In addition, it is not allowed to inquire about the wages of other employees.

Five. Party B's bonuses, allowances and other benefits shall be implemented in accordance with Party A's internal rules and regulations. Party A has the right to rely on:

It is necessary to formulate, amend, improve or abolish the system of bonuses, allowances and other benefits.

Article 5 Labor protection and working conditions

One. Party A shall comply with China's regulations on labor safety and provide Party B with labor in accordance with national and local regulations

The relevant treatment and working conditions of animal protection, and the implementation of labor protection for Party B.

Two. Party A shall provide Party B with a safe and healthy working environment that complies with national and local regulations and standards, according to Party B

Party B's job position conducts training on occupational health and safety, and provides necessary labor for Party B's work

conditions and a safe and hygienic working environment, and the distribution of labor protection equipment in accordance with regulations; There are occupational hazards to the engagement

Those who work shall conduct regular health examinations and comply with other laws and regulations related to occupational health and safety

Rules.

Three. Party B confirms that Party A has informed Party B of the occupational disease hazards and protection according to Party B's job position and content

Circumstance. Party B promises to strictly abide by all safety and health operation rules and regulations formulated by the state and Party A.

Have a sense of self-protection, standardized and safe operation.

Article 6 Labor discipline and rules and regulations

One. Party B shall strictly abide by national laws and regulations and Party A's efforts to maintain normal production, work and life order

If there is any violation of the company's rules and regulations formulated in accordance with the law, it will be dealt with according to the relevant system.

Two. Party B shall abide by social morality and professional ethics, keep Party A's business secrets, and strictly implement production and technology

Confidentiality provisions such as process and technology patents to safeguard the interests and reputation of Party A.

Three. Without the consent of Party A, Party B is strictly prohibited from working part-time outside or engaging in any business activities related to Party A's business.

If it causes economic losses to Party A, it shall be liable for compensation in accordance with the law.

Four. If Party B violates labor discipline, Party A can give corresponding disciplinary sanctions according to the rules and regulations of the unit until the termination of this contract.

Five. When signing this contract, Party B has carefully read the relevant rules and regulations formulated by Party A (including but not limited to in the employee handbook, job responsibilities, safety guidelines, etc.), Party B promises to strictly abide by it. Party A may revise from time to time,

The rules and regulations implemented shall take effect after they are published on the company's bulletin board or delivered to employees, and Party B shall comply with them

Article 7 Modification, rescission and termination of the labor contract

One. With the agreement of both parties through negotiation, the content of this contract can be changed. Modification of the labor contract shall:

Be in writing.

Two. This contract may be terminated by mutual agreement between Party A and Party B.

Three. Party B shall notify Party A in writing 30 days in advance (3 days in advance during the probationary period) to terminate this contract

The two parties may negotiate to determine the last working date of Party B.

Four. Party A may terminate this contract under any of the following circumstances:

1. During the probationary period, if it is proved that the employment conditions are not met, the circumstances of "not meeting the employment conditions" include:

This includes, but is not limited to:

- a. Under the age of 16
- b. It is found that it does not meet the recruitment conditions announced at the time of recruitment
- c. Providing false personal history or information in the process of applying for employment with Party A
- d. There is deception, concealment or other dishonest behavior in the process of concluding the labor contract
- e. Those who have not gone through or do not have the employment procedures prescribed by the government
- f. Unable to provide the documents required by Party A for employment and social insurance
- g. Failing to dissolve or terminate the labor contract with other employers in accordance with the law, or failing to provide the original employer

Proof of resignation

- h. Those who fail to pass the probationary period and regular assessment or fail to pass the 30/60/90-day work plan
 - i. Violating Party A's rules and regulations and receiving disciplinary sanctions (regardless of the type of sanction).
 - j. Suffering from mental illness or suffering from Class A infectious diseases and Class B infections as stipulated in the Law on the Prevention and Treatment of Infectious Diseases
 - k. Party A will violate the non-compete agreement or other contractual obligations with the original employer
 - l. Wanted
 - m. Other circumstances stipulated by laws and regulations or Party A's rules and regulations
2. Serious violation of labor discipline or Party A's rules and regulations
 3. Serious dereliction of duty, malpractice for personal gain, causing major damage to Party A's interests
 4. At the same time, establish labor relations with other employers, which has a serious impact on the completion of Party A's work tasks.

or Party A proposes to refuse to make corrections

5. By means of fraud, coercion or taking advantage of the danger of others, Party A is concluded against the true intention

or change the labor contract

6. Being pursued for criminal responsibility in accordance with law

Five. In any of the following circumstances, Party A shall notify Party B in writing 30 days in advance or pay Party B an additional amount

This contract can be terminated after one month's salary:

1. If Party B is sick or injured not due to work, he or she cannot engage in the original job after the expiration of the prescribed medical treatment period, nor can Party B

Engaged in work arranged by Party A

2. Party B is not competent for the job, and is still incompetent after training or job adjustment

3. There is a major change in the objective circumstances on which this contract is based at the time of conclusion, which makes it impossible to perform the labor contract.

After negotiation between the two parties, no agreement can be reached on the modification of the content of this contract

Six. This contract shall be terminated under any of the following circumstances:

1. The term of this contract expires

2. Party B reaches the statutory retirement age or begins to enjoy basic pension insurance benefits in accordance with the law

3. Party B dies, or is declared dead or missing by the people's court

4. Party A is declared bankrupt in accordance with the law

5. Party A's business license is revoked, ordered to close or revoked, or the employer decides to dissolve in advance

6. Other circumstances stipulated by laws and administrative regulations

Seven. When this contract is dissolved or terminated, Party B shall, in accordance with Party A's provisions, hand over the work and return it to the person for use

Any property and documents of Party A in custody shall be withdrawn from work by Party A after completing the relevant resignation procedures

formalities, and transfer the personnel file of the dismissed Party B to the employment agency of the labor administrative department.

Article 8 Confidentiality and Intellectual Property

One. Party A and Party B confirm that Party B will inevitably come into contact with Party A's trade secrets and business secrets when performing its job duties

Confidential matters relating to intellectual property rights, including but not limited to the following:

1. Technical information: including but not limited to: formula, model, data compilation, program, method, technology, product, system, process, process flow, design, sample, step, specification, R&D strategy, technical scheme, circuit design, technical index, database, research and development records, technical report, test report, test report, experimental data, test results, drawings, prototypes, operation manuals, technical documents, etc.
2. Business information: including but not limited to: market information, customer list, distribution network, sales price, marketing plan, advertising planning, competitive strategy, procurement information, procurement channels, purchase price, supplier list, management information, financial information, human resources information, etc.
3. The carriers involved may be physical, chemical, or in any other form, including but not limited to traditional paper carriers and electromagnetic or digital storage media carriers such as USB disks, hard disks, optical discs, films, tapes, and network storage spaces.

The foregoing matters belong to the property and rights of Party A, and Party B has the obligation of confidentiality as a matter of course.

Two. Party B must abide by any written or unwritten confidentiality rules and regulations of Party A, and perform its duties

Corresponding confidentiality duties. If Party A's confidentiality rules and regulations are not provided for or the provisions are not clear,

In line with the principle of good faith, the Party shall take any necessary and reasonable measures in accordance with the standards of rational persons to safeguard the public interest

Information about which the Company or Company is under a corresponding obligation of confidentiality to third parties.

Three. Party B agrees that Party B shall not do without the written consent of Party A or for the purpose of performing its duties and obligations under this contract

may disclose any of our information to any third party, including any of our employees who are not aware of the secret

Trade secret. Party B finds that other staff members of Party A have behaviors that do not comply with the confidentiality process and relevant measures



When the protection of relevant information is insufficient or the relevant information has been infringed, A shall be promptly notified and take reasonable measures to prevent further infringement of relevant information.

Four. Party A and Party B confirm that all records held or kept by Party B due to the needs of Party B's duties are Party A's secrets

Any form of carrier of information shall be owned by Party A.

Five. Party B guarantees that the correct use and proper custody belong to Party A or belong to others, but Party A promises to have confidentiality

shall not use the aforesaid information for their own benefit or any third party. In addition to performing duties

In addition, Party B promises that during its employment and after resignation, without the written authorization of Party A, Party B shall not disclose, inform,

Publish, publish, publish, impart, transfer or otherwise make any third party aware of the property of A

Party A or confidential information that belongs to another person but Party A promises to keep it confidential shall not be in the performance of its duties

The confidential information is used until you declare that it is declassified or the confidential information is in fact disclosed.

Six. After the cancellation or termination of this contract, Party B must return all confidential information and materials and their copies to Party A

and warrants to Party A that I no longer have any right to use the materials or information, and declares that I have used the information

All originals and copies of such materials and information shall be returned to Party A. If Party A finds that Party B has not returned it in time

If the aforesaid information causes losses to Party A, Party B must bear the corresponding liability for compensation.

Seven. During Party A's tenure and within 6 months after the termination or rescission of this contract, Party B has performed the delivery of Party A

Work tasks or inventions and creations that are mainly completed by using Party A's material and technical conditions, business information, etc.,

The intellectual property rights related to computer software, technical secrets, works, etc. belong to Party A

Except for Party B's identity rights). Party B is obliged to report all information about the relevant intellectual property rights to

Party A, and provide necessary auxiliary measures as required by Party A to enable Party A to apply, transfer or register the above

Intellectual property.

Eight. Party B promises that Party B shall not infringe on a third party in order to complete its own work or the work temporarily assigned by Party A

intellectual property or trade secrets. If Party A suffers economic or goodwill losses due to Party B's infringement, Party A has the right to claim compensation from Party B for all economic losses caused thereby.

Nine. Party A has the right to request Party B to enter into a separate confidentiality and non-competition agreement as needed

Annexes to this Contract.

Article 9 Financial Compensation and Indemnity

One. When this contract is dissolved or terminated, if Party A needs to pay economic compensation, it shall be in accordance with the provisions of the People's Republic of China

The Labor Contract Law stipulates standard payments.

Two. If Party B violates the rules and regulations of Party A or the provisions of this contract and causes losses to Party A, Party A shall be compensated for the losses

Party A has the right to deduct Party B's labor remuneration according to law.

Three. If Party B accepts the funded training provided by Party A, Party A has the right to require Party B to sign the relevant training agreement

If there is a violation, it shall bear the corresponding responsibility in accordance with the agreement.

Four. If Party B encroaches on Party A's property and causes losses to Party A, Party B shall return the corresponding property and compensate Party A for the loss

Lose. If there is no legal provision or contract to obtain the benefits of Party A, Party B shall return the unjust profits obtained

Also Party A.

Five. Party B understands and agrees that upon the rescission or termination of this contract, Party B shall have any outstanding payment to Party A

(Including but not limited to the compensation, liquidated damages, unjust enrichment, and advance that Party B shall return and pay to Party A.)

Party A has the right to settle the payment (including but not limited to wages and awards) when Party B resigns (gold, allowances, subsidies, unused annual leave, economic compensation, compensation, etc.).

One-time deductions.

Article 10 other

One. Matters not covered in this contract shall be agreed upon by both parties unless otherwise agreed; If there is no agreement between the two parties, in accordance with relevant laws,

enforcement of laws and regulations; Where laws, regulations, and rules do not provide for it, the two parties shall follow the principle of equality, voluntariness, and agreement

In principle, a separate agreement shall be signed as a supplementary agreement to this contract.

Two. If this contract is inconsistent with the relevant laws, regulations and rules in force, the relevant laws, regulations and rules shall apply

prevail. If the relevant laws, rules and regulations are changed, the new effective laws, regulations,

The rules and regulations shall prevail.

Three. In the event of a labor dispute between the two parties, the procedures stipulated in the Law of the People's Republic of China on Labor Dispute Mediation and Arbitration shall apply

Order.

Four. This contract shall come into force in duplicate after being signed and sealed by both parties; Party A and Party B each hold one copy and two copies of the contract

Equally effective.

Five. Party B determines that the following address is the address for the delivery of documents and documents related to labor relations management, such as the following address

Party B shall notify Party A in writing within 7 days of the change, otherwise, Party A shall deliver it at the following address

Relevant documents and documents shall be deemed to have been served.

Address for service: [***]

Party A: Quaker Houghton Investment Management (Shanghai) Co., Ltd.

Party B: Albert Ma

Seal: /s/ Quaker Houghton Investment Management (Shanghai) Co., Ltd.

Signature: /s/ Albert Ma

Date: April 1, 2016

CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT, dated March 1, 2025 between QUAKER CHEMICAL CORPORATION, d/b/a QUAKER HOUGHTON, a Pennsylvania corporation (the “Company”) and ALBERT MA (the “Manager”)

WITNESSETH THAT

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. Term of Agreement.

This Agreement shall become effective on your start date with the Company (the “Effective Date”), and shall continue in effect through December 31, 2025, 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 her 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 her 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 her 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 her 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 her 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 her 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 her dependents.

6. Effect of Other Employment.

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 her family); and the Manager's "family" shall mean her parents, her siblings and their spouses, her children and their spouses, and the Manager's spouse and her 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. Other Payments and Benefits.

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 her employment with the Company.

- (i) The Manager agrees that at no time during or following her 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 her possession or control which constitute or contain any Proprietary Business Information.

(b) Noncompetition. The Manager agrees that during her 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 her 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 her 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 her rights under this Agreement at any time during her lifetime, the Company shall pay (or the Manager shall be entitled to recover from the Company, as the case may be) her reasonable attorneys' fees and costs and expenses in connection with the enforcement of her 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 her 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 her 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.

/s/ ALBERT MA

QUAKER CHEMICAL CORPORATION

By: /s/ ROBERT T. TRAUB

Title: SVP, General Counsel & Corporate Secretary



Uithoorn, 2nd of July 2018

Conc.: permanent contract of employment

Dear Mr. Moreno,

Referring to our recent discussions we are pleased to offer you employment with Quaker Sales Europe BV. in the position of Senior Director EMEA Metals.

The content of your function has been discussed with you in broad outline; herewith you have committed yourself to do all work that can reasonably be asked of you in the service of the employer.

Attached you will find the permanent contract of employment; we request you to sign and send it back to us by return.

We do hope that this employment shall be mutually satisfactorily and wish you a pleasant job.

E. ten Duis
Director Human Resources EMEA

Quaker Chemical B.V.
Industrieweg 7
1422 AH Uithoorn
The Netherlands
T: +31 (0) 297 544644
F: +31 (0) 297 544694
quakerchem.com

Permanent contract of employment

The undersigned:

1. Quaker Sales Europe BV, hereinafter to be called the “employer”

and

2. M. Moreno born [***] residing [***], hereinafter to be called the “associate”

jointly to be called “parties”

declare to have entered into the following employment contract:

GENERAL PROVISIONS

Article 1 Function

Employer agrees to employ associate as Senior Director EMEA Metals. The activities of the associate are described in the job description attached hereto, which should be regarded as an integral part of this employment contract.

The place where or from where the employment will be carried out shall be Uithoorn.

Article 2 Date of commencement and duration

This employment contract shall commence on 1st of August 2018 and shall be entered into for an indefinite period of time.

We will respect your seniority, as of starting date Quaker Spain 8th May 2003.

The employment contract shall end in any case legally, without any cancellation being required on the last day of the calendar month in which associate reaches the pensionable age.

Article 3 Termination

Without prejudice to articles 678 and 679 of the Dutch Civil Code (“Burgerlijk Wetboek”) either party shall have the right to terminate the employment. The associate shall have three months prior written notice or that much longer as prescribed in article 672 of the Dutch Civil Code and for employer the multiple of this applies. Notice should be given in such a way that termination of the employment coincides with the end of a calendar month.

Article 4 Applicable definitions

The General Arrangement Terms of Employment (“ARAP” = “Algemene Regeling Arbeidsvoorwaarden Personeel Quaker Chemical BY”) shall apply to this employment contract. The associate hereby acknowledges that he/she has received a copy of the “ARAP” from the employer, has reviewed and understands the provisions contained therein and agrees to behave in accordance therewith.

In addition, other general company arrangements of Quaker Chemical BV shall apply to this employment contract. Associate shall be bound to changes to the provisions implemented by employer with due observance of those matters requiring consultation, including withdrawal of the provisions applying to Quaker Chemical BV.

PRIMARY TERMS OF EMPLOYMENT

Article 5 Working hours and activities

The working hours amount to 1.0 full-time equivalent (fte); resulting in an actual weekly working hours of 40 hours. The working hours are from Monday through Friday, 8 hours a day, unless alternative working hours have been agreed to in writing with the associate, with a lunch break of 30 minutes. Employer shall reserve the right to make changes in above working hours, with due observance of the legal stipulations and any required consultation.

Associate shall undertake to carry out all daily activities, commissioned by or on behalf of employer, to the best of his/her knowledge and ability, subject in the case of disablement (as to one's own Job) to alternate activities deemed suitable by the company doctor. Associate shall also undertake to carry out activities at a different place and/or time (than usual) unless such cannot be reasonably required from Associate.

Article 6 Salary and holiday allowance

Associate shall receive a gross salary of €12.153,85 per month, without prejudice to legal or periodical raises. The salary shall be paid, after deduction of the legal/agreed deductions, per month.

The associate shall be entitled to a holiday allowance of 8.5% of the annual salary applicable at the moment of payment. Annual salary shall be understood to mean 12 times the monthly salary.

At commencement or termination of employment during any calendar year associate shall only be entitled to a part of this holiday allowance pro rated by the number of days that associate has been employed during such year.

Payment of this holiday allowance shall be made once a year in April.

Article 7 Holidays

Associate shall be entitled to a minimum number of 30 holidays per year, on the basis of the ARAP, in proportion to the duration of the employment during the calendar year and the extent of the agreed working hours. Associate can only schedule consecutive holidays after first making a timely request for such a holiday and after consultation with employer.

Article 8 Continuation of payment of wages and addition during illness

We refer to the relevant statements in the ARAP.

OTHER TERMS OF EMPLOYMENT/REMUNERATIONS AND PROVISIONS

Article 9 Payments and provisions related to the nature and extent of the job mentioned in Article 1

In case the function and/or the nature and extent of the function-performance is changed, employer reserves the right to change (including cancellation) any of the following functional-related payments and/or provisions.

a) Global Annual Incentive Plan

You will be eligible to participate in the Global Annual Incentive Plan (GAIP). For 2018, your Global Annual Incentive Plan target percentage will be 30% and the maximum percentage will be 60%.

GAIP rewards are made at the company's discretion and can be subject of change.

b) Long Term Incentive Plan

Pending approval from the Quaker Chemical Corporation Compensation and Management Development Committee of the Board of Directors, you will be eligible to participate in Quaker's Long Term Incentive Plan (LTIP) as a Level III participant in the 2018 - 2020 LTIP cycle, which is a mix of restricted stock/units, and cash (of which the cash portion can pay out between 0% and 200%). The total value, at a target level, is approximately \$41,000.00 USD.

LTIP rewards are made at the company's discretion and can be subject of change.

c) Removal costs

Quaker will compensate the removal and transfer of your furniture and household goods to your new location in the Netherlands and necessary administrative costs in relation to your transfer (once), based on two to be provided quotes from moving companies.

d) Housing

Quaker will provide and compensate for assistance in looking for houses, registration etc. This service will be provided by an external company.

Quaker will reimburse 50% of housing costs with a max. of €1.250 per month for a period of 3 years and 25% with a max. of €625 per month for a further 2 years (this compensation is based on a realistic monthly rent of €2.500 per month).

d) 30% ruling costs

Quaker will make a request to the Dutch tax authorities for the 30% ruling. In case of approval, you will be eligible under the conditions of the 30% ruling as applied by the Dutch tax authorities for an income tax advantage. If for any reason this tax ruling will change, the new legislation will apply.

e) Tax

Quaker will compensate for yearly Tax declaration by PWC for the entire period employment.

f) School fees

Quaker will compensate for reasonable school fees for international schooling for the entire period your children will go to the Primary School and High School.

g) Lease car

Employer shall provide associate with a lease car in order to carry out the job mentioned in Article 1, use of which shall be governed by the employer's car policy.

Associate shall hereto sign a Users Acknowledgement, attached hereto. Provision of a car shall be related to the job mentioned in Article 1 and shall be cancelled in case of change of job or when the conditions for payment, as described in the applicable arrangement, do not meet anymore.

Article 10 Health Insurance/ disability -and pension insurance

a. Health Insurance

At commencement of employment, the associate will be offered the possibility to become a participant in a collective facilitated health insurance. In case of participation, the premium of this collective facilitated health insurance shall be fully reimbursed by the employer for yourself and your wife and children.

b. Disability insurances

The additional "WAO" Insurance ("WAO-Excedent") is a risk insurance, which gives supplements to the "AAW/WAO" payments up to 70% of the actual daily wages. In case the daily wages exceed the maximum "WAO" daily wages, Associate shall become a participant (i.e. insured party) in a so-called "Excedent" insurance. Premium shall be fully reimbursed by the employer.

c. Pension insurance

Upon commencement of employment (or on ground of age at a later age at a later date), the associate shall become a participant in the "Collective Pension Scheme". Associate shall sign a declaration of receipt of the Pension Regulation (when in the Netherlands). The premium of the "Collective Pension Scheme" shall be fully reimbursed by the employer. The associate acknowledges that employer has informed Associate about the possibility of pension value transfer.

Article 11 Collective insurances

In accordance with the statements in the ARAP the following insurances shall apply to associates:

a. 24-hours collective accident/disability insurance (also during holiday period)

In case of death through accident, a capital payment of 3x the annual income shall be made (12x basic monthly salary + 8.5% holiday allowance + 10% bonus on 12x basic month salary). In case of permanent disability a certain percentage of the above payment shall be enjoyed as capital payment. Payments shall be made in accordance with the policy terms.

b. Accident insurance Quaker Chemical Corporation (during business trips)

The associate shall receive in case of death through accident an amount of (salary \$ 100,000 =. In case of permanent disability a certain percentage (depending on the percentage disability) of above payment shall be paid as capital payment. Payments shall be made in accordance with the statements of the policy.

c. Travel (luggage) insurance

Luggage of associates on business trips shall be insured up to a maximum of EURO 2.269,=, split up in EURO 1.815,= (inclusive EURO 454,= for very valuable items such as cameras, jewellery, etc.) and EURO 454,= cash. Per occasion an own risk of EURO 45,= shall apply.

PROVISIONS TO PROTECT THE COMPANY'S INTERESTS

Article 12 Inventions

All improvements, modifications, formulations, processes, discoveries or inventions ("Inventions"), whether or not patentable, which were originated, conceived or developed by associate solely or jointly with others (a) during working hours or at the expense of employer or at employer's premises or at a customer's premises or (b) during associate's employment with employer and which relate to (i) the business of employer or (ii) any research, products, processes, devices, or machines under actual or anticipated development or investigation by employer at that time shall be the sole property of employer (or its nominee). Associate shall promptly disclose to employer all Inventions that associate conceives or becomes aware of at any time during associate's employment with employer and shall keep complete, accurate, and authentic notes, data and records of all Inventions and of all work done by associate solely or jointly with others, in the form directed by employer. Associate hereby transfers and assigns to employer (or its nominee) all of associate's right, title, and interest in and to any and all inventions which may be conceived or developed by Associate while employed with employer. Associate shall assist employer at any time and at employer's (or its nominee's) expense in applying, obtaining, and enforcing any European, United States or other Foreign Letters Patent on any such Inventions and to take such other actions as may be necessary or desirable to protect employer's (or its nominee's) interests therein. Upon request, associate shall execute any and all applications, assignments, or other documents which employer deems necessary and desirable for such purposes. Associate has attached hereto a list of unpatented inventions that associate has made or conceived prior to employment with employer, and it is agreed that those inventions shall be excluded from the terms of this Agreement.

Article 13 Secrecy

The undersigned associate acknowledges that information concerning the method and conduct of the Company's (and any affiliates') 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 affiliates') manuals, documents, notes, letters, records, and computer programs are the Company's (and/or the Company's affiliates, as the case may be) trade secrets ("Trade Secrets") and are the sole and exclusive property of the Company (and/or the Company's affiliates, as the case may be). Associate agrees that at no time during or following employment with Quaker will Associate use, divulge, or pass on, directly or through any other individual or entity, any Trade Secrets. Upon termination of Associate's employment with the Company (and/or any affiliate), or at any other time upon the Company's request, Associate agrees to forthwith surrender to the Company (and/or any affiliate, as the case may be) any and all materials in his possession. Trade Secrets do not include information that is in the public domain at no fault of the Associate.

Article 14 Properties of the company

All goods, including software, information stored on data carriers and written certificates and/or photocopies of such, tools and/or appliances which associate will see/work with, from or on behalf of employer during the employment contract, shall be and will remain the exclusive property of employer. The associate is therefore obliged, on first request of employer, but in any case at the termination of the employment, to again place these goods at employer's disposal. Associate shall also be obliged to use these goods exclusively for the purpose for which the goods were made available.

Article 15 Activities for third parties

Associate shall be obliged to carry out paid activities solely and exclusively for employer. Without the written consent of employer, associate shall not be allowed to carry out a profession or occupation in whatever way and whatever form, either in his/her own name or via and/or in co-operation with other natural or legal persons, nor be in service with other natural or legal persons. In the prohibition shall also be included being a member of the supervisory board of other legal persons or paid Associate functions at associations or foundations.

Associate shall neither accept nor obtain any financial or other advantages from third parties, whether indirect, which could be considered to be in connection with his/her activities with or for employer.

PROVISIONS WITH RESPECT TO THE GOOD ORDER IN THE COMPANY

Article 16 Identification

This employment contract shall be entered under the reservation that associate shows a valid proof of identity (being a valid passport or identity card) and gives the employer the opportunity to make a photocopy of the passport/identity card. Associate shall furthermore be obliged to show an identity card on request. Associate vouches for the qualifications as stated by Associate at the start of the employment contract. Associate shall submit copies of diplomas/certificates to the employer.

FINAL PROVISIONS

Article 17 Concluding article

The collective labour agreements, as determined in the ARAP ("Algemene Regeling Arbeidsvoorwaarden Personeel = General Arrangement Terms of Employment), are applicable to you.

Dutch law shall apply to this employment contract and all obligations resulting from this agreement between both parties.

Associate finds attached with this contract, the following enclosures:

1. Protocol: E-mail and Internet
2. Job description
3. European Car Policy

Associate declares to be familiar with the contents of above provisions and if associate is in agreement therewith, we request associate to return copies of following documents to the Human Resources Department:

1. this contract, each page initialised by Associate
2. the job description, signed by Associate
3. copy of a valid passport / identity card
4. Burger Service Nummer; when received in The Netherlands
5. Bank- or giro-number; when received in The Netherlands

Drawn up and signed in duplicate in Uithoorn, 2nd of July 2018.

Yours sincerely,

/s/ Eduard Ten Duis
E. ten Duis
Director Human Resources EMEA

For agreement:

/s/ Miquel Moreno
M. Moreno
Date: 13-06-2018

CC: Salary administration

CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT, dated March 1, 2025 between QUAKER CHEMICAL CORPORATION, d/b/a QUAKER HOUGHTON, a Pennsylvania corporation (the “Company”) and MIGUEL MORENO (the “Manager”)

WITNESSETH THAT

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. Term of Agreement.

This Agreement shall become effective on your start date with the Company (the “Effective Date”), and shall continue in effect through December 31, 2025, 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 her 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 her 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 her 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 her 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 her 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 her 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 her dependents.

6. Effect of Other Employment.

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 her family); and the Manager's "family" shall mean her parents, her siblings and their spouses, her children and their spouses, and the Manager's spouse and her 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. Other Payments and Benefits.

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 her employment with the Company.

- (i) The Manager agrees that at no time during or following her 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 her possession or control which constitute or contain any Proprietary Business Information.

(b) Noncompetition. The Manager agrees that during her 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 her 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 her 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 her rights under this Agreement at any time during her lifetime, the Company shall pay (or the Manager shall be entitled to recover from the Company, as the case may be) her reasonable attorneys' fees and costs and expenses in connection with the enforcement of her 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 her 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 her 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.

/s/ MIGUEL MORENO

QUAKER CHEMICAL CORPORATION

By: /s/ ROBERT T. TRAUB

Title: SVP, General Counsel & Corporate Secretary

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

I, Joseph A. Berquist, 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: May 1, 2025

/s/ Joseph A. Berquist

Joseph A. Berquist

Chief Executive Officer

**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: May 1, 2025

/s/ Thomas Coler

Thomas Coler

Chief Financial Officer

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 March 31, 2025 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: May 1, 2025

/s/ Joseph A. Berquist

Joseph A. Berquist

Chief Executive Officer of Quaker Chemical Corporation

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 March 31, 2025 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: May 1, 2025

/s/ Thomas Coler

Thomas Coler

Chief Financial Officer of Quaker Chemical Corporation