

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

FORM 8-K

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

**March 17, 2020
Date of Report (Date of earliest event reported)**

QUAKER CHEMICAL CORPORATION
(Exact name of Registrant as specified in its charter)

Commission File Number 001-12019

PENNSYLVANIA
(State or other jurisdiction of
incorporation or organization)

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

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

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

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

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

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

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

INFORMATION TO BE INCLUDED IN THE REPORT

Item 1.01. Entry into a Material Definitive Agreement.

In connection with the delay in filing its annual report on Form 10-K for the fiscal year ended December 31, 2019 (the “Form 10-K”), as discussed in Item 8.01 below, on March 17, 2020, Quaker Chemical Corporation (the “Company”) and its wholly-owned subsidiary, Quaker Chemical B.V., as borrowers, Bank of America, N.A., as administrative agent, U.S. Dollar swing line lender and letter of credit issuer (the “Administrative Agent”), certain guarantors and other lenders (the “Lenders”) entered into an amendment (the “Amendment”) to that certain credit agreement entered into on August 1, 2019 (the “Credit Agreement”), as previously disclosed by the Company (as amended, the “Credit Facility”). The Credit Facility requires the Company to deliver to the Administrative Agent and each Lender the consolidated balance sheet of the Company and its subsidiaries as at the end of each fiscal year, and the related consolidated statements of income or operations, changes in shareholders’ equity, and cash flows for the fiscal year, which, among other requirements, must be audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing. Without having obtained the Amendment, failing to observe this financial statements covenant by March 17, 2020 with respect to the Company’s financial statements for 2019 would be an event of default under the Credit Agreement, thereby entitling the Administrative Agent and the Lenders to accelerate the payment of the unpaid principal amount of all outstanding loans and all interest accrued and unpaid thereon, among other remedies. The Amendment extends the delivery dates for the foregoing financial statements to April 16, 2020. The foregoing description of the Amendment does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Amendment, which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

The Administrative Agent and certain of the lender parties to the Amendment and/or the Credit Facility have provided, and may in the future provide, normal banking, investment banking and/or advisory services for the Company and/or its affiliates from time to time, for which they have received, or may in the future receive, customary fees and expenses.

Item 8.01. Other Events.

On March 2, 2020, the Company filed a Form 12b-25 Notification of Late Filing to report that it required additional time to finalize its financial statements, assess its disclosure controls and procedures and evaluate the effectiveness of its internal control over financial reporting for the year ended December 31, 2019. This was largely due to the combination with Houghton International, Inc. (“the Combination”), in which the Company acquired a complex global organization, and the significant effort required to account for the Combination, causing the Company to be unable to file its Form 10-K by the March 2, 2020 deadline without unreasonable effort or expense. The Company believed it would be able to file its Form 10-K by March 17, 2020, within the prescribed fifteen day period under Rule 12b-25. However, due to the significant efforts required to account for the Combination, the added complications of working restrictions related to the COVID-19 outbreak, and additional work related to the following control findings, the Company will not be able to file its Form 10-K today.

As the Company finalizes its fiscal year-end financial statements, the Company’s management now expects to include disclosure regarding its conclusion that the Company has certain deficiencies in its application of the principles associated with the *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the “COSO framework”), which constitute material weaknesses. In particular, the Company has not effectively designed and maintained controls in response to the risks of material misstatement. Changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting and this has contributed to additional material weaknesses in revenue recognition at certain smaller locations and in the controls over the reliability of data used to support the reasonableness of certain assumptions in the accounting for business combinations. As part of the procedures to finalize its Form 10-K, management is still in the process of completing its assessment of the Company’s internal control over financial reporting as of December 31, 2019.

Management does not anticipate material financial statement adjustments from any identified control deficiencies, whether rising to the level of material weakness or not, and the Company expects no material adjustments in its consolidated financial statements included in its earnings release on March 2, 2020 and believes they fairly represent the financial position of the Company on December 31, 2019 and 2018. The Company is working diligently on the foregoing matters and estimates filing its Form 10-K within the week.

The Company and its Board of Directors are committed to maintaining a strong internal control environment. Management has begun developing the remediation plan to address the material weaknesses described above. The initial steps the Company has taken include identifying dedicated internal resources supplemented with third-party specialists to assist with formalizing a robust and detailed remediation plan and specifically completing an updated risk assessment, including identifying and assessing those risks attendant to the significant changes within the Company as a result of becoming a larger, more complex global organization as a result of the Combination.

The Company plans to conduct a comprehensive review, and, as applicable, update its existing internal control framework to ensure that it has identified, developed and deployed the appropriate business process and information technology general controls to meet the objectives and address the risks identified through the updated risk assessment process.

The Company is still developing its full remediation plan and is in the early phase of what will be a multi-step remediation process to completely and fully remediate the material weaknesses identified and described above.

Item 9.01. Financial Statements and Exhibits.

The following exhibits are included as part of this report:

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Amendment No. 1, dated as of March 17, 2020, to the Credit Agreement, dated as of August 1, 2019.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Forward-Looking Statements

This Current Report on Form 8-K contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. 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, including but not limited to our current and future results and plans and statements that include the words “may,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan” or similar expressions. All forward-looking statements included in this Current Report, including expectations about the timing of the completion of the Company’s financial statements and audit for the fiscal year ended December 31, 2019, and the timing, form and content of the Company’s Form 10-K are based upon information available to the Company as of the date of this filing, which may change. Therefore, we caution you not to place undue reliance on our forward-looking statements. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

SIGNATURE

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

QUAKER CHEMICAL CORPORATION

Date: March 17, 2020

By: /s/ MARY DEAN HALL

Mary Dean Hall

Senior Vice President, Chief Financial Officer and Treasurer

AMENDMENT NO. 1 TO CREDIT AGREEMENT

THIS AMENDMENT NO. 1 TO CREDIT AGREEMENT (this “Amendment”) is made and entered into as of March 17, 2020 by and among **QUAKER CHEMICAL CORPORATION**, a Pennsylvania corporation (the “Company”), certain Subsidiaries of the Company party hereto (each a “Designated Borrower” and, together with the Company, the “Borrowers” and, each a “Borrower”), each guarantor party hereto (the “Guarantors” and together with the Borrowers, the “Loan Parties”), each lender party hereto (collectively, the “Lenders” and individually, a “Lender”), and **BANK OF AMERICA, N.A.**, as Administrative Agent (in such capacity, the “Administrative Agent”).

W I T N E S S E T H:

WHEREAS, the Borrowers, the Administrative Agent, and the lenders from time to time party thereto have entered into that certain Credit Agreement dated as of August 1, 2019 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”; all capitalized terms not otherwise defined herein shall have the meaning given thereto in the Credit Agreement);

WHEREAS, the Borrowers have requested that the Administrative Agent and the Required Lenders agree to that certain amendment to the Credit Agreement as set forth herein, and the Administrative Agent and Lenders party hereto constituting Required Lenders, subject to the terms and conditions contained herein, are willing to effect such amendment and modification on the terms and conditions contained in this Amendment; and

WHEREAS, the Loan Parties are willing to execute and deliver this Amendment;

NOW, THEREFORE, in consideration of the premises and the terms hereof, the parties hereto agree as follows:

1. **Amendment to Credit Agreement.** Subject to the terms and conditions set forth herein, the Credit Agreement is hereby amended by amending and restating Section 6.01(a) of the Credit Agreement in its entirety such that after giving effect to this Amendment, such Section shall read as follows:

“(a) commencing with the fiscal year ending December 31, 2019, as soon as available, but in any event not later than the SEC Filing Date (or, with respect to the fiscal year ending December 31, 2019, not later than April 16, 2020), a consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders’ equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders (which shall be deemed acceptable if such firm is one of the “Big Four”), which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any “going concern” or like qualification or exception or any qualification or exception as to the scope of such audit;”

2. **Effectiveness; Conditions Precedent.**

The effectiveness of this Amendment and the amendment to the Credit Agreement provided in Section 1 hereof are subject to the satisfaction of the following conditions precedent:

(a) The Administrative Agent shall have received counterparts of this Amendment, duly executed by each Loan Party, the Administrative Agent and Lenders sufficient to constitute Required Lenders, which counterparts may be delivered by telefacsimile or other electronic means (including .pdf), but such delivery will be promptly followed by the delivery of original signature pages by each Person party hereto unless waived by the Administrative Agent; and

(b) All fees and expenses payable to the Administrative Agent (including the fees and expenses of counsel to the Administrative Agent to the extent due and payable under Section 10.04(a) of the Credit Agreement) estimated to date and for which invoices have been presented a reasonable period of time prior to the effectiveness hereof shall have been paid in full (without prejudice to final settling of accounts for such fees and expenses).

For purposes of determining compliance with the conditions specified in this Section 2, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the date hereof specifying its objection thereto.

3. Representations and Warranties.

In order to induce the Administrative Agent and the Lenders to enter into this Amendment, each Loan Party represents and warrants to the Administrative Agent and the Lenders as follows:

(a) The representations and warranties made by such Loan Party in Article V of the Credit Agreement or in any other Loan Document, or which are contained in any document delivered pursuant to the Credit Agreement or another Loan Document, are, in each case, true and correct in all material respects on and as of the date hereof, except that (i) in the case of the representations and warranties qualified or modified as to materiality in the text thereof, such representations and warranties shall be true and correct in all respects, (ii) to the extent that such representations and warranties expressly relate to an earlier date, in which case they are true and correct in all material respects as of such earlier date and (iii) the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01 of the Credit Agreement;

(b) This Amendment has been duly authorized, executed and delivered by such Loan Party, and constitutes a legal, valid and binding obligation of such Borrower, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability; and

(c) Both before and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

4. **Entire Agreement.** This Amendment is a Loan Document. This Amendment, together with all the other Loan Documents (collectively, the "Relevant Documents"), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relating to such subject matter. No promise, condition, representation or warranty, express or implied, not set forth in the Relevant Documents shall bind any party hereto, and no such party has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to the other in relation to the subject matter hereof or thereof. None of the terms or conditions of this Amendment may be changed, modified, waived or canceled orally or otherwise, except in writing and in accordance with Section 10.01 of the Credit Agreement.

5. **Full Force and Effect of Credit Agreement.** Except as hereby specifically amended, modified or supplemented, the Credit Agreement is hereby confirmed and ratified in all respects and shall be and remain in full force and effect according to its respective terms.

6. **Governing Law.** This Amendment shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, and shall be further subject to the provisions of Sections 10.14 and 10.15 of the Credit Agreement.

7. **Enforceability.** Should any one or more of the provisions of this Amendment be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

8. **References; Interpretation.** All references in any of the Loan Documents to the “Credit Agreement” shall mean the Credit Agreement, as amended hereby. The rules of interpretation set forth in Section 1.02 of the Credit Agreement shall be applicable to this Amendment.

9. **Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of each Borrower, the Administrative Agent and each of the Lenders, and their respective successors, legal representatives, and assignees to the extent such assignees are permitted assignees as provided in Section 10.06 of the Credit Agreement.

10. **No Novation; Reaffirmation.** Neither the execution and delivery of this Amendment nor the consummation of any other transaction contemplated hereunder is intended to constitute a novation of the Credit Agreement or of any of the other Loan Documents or any obligations thereunder. Each Loan Party hereby (i) affirms and confirms each of the Loan Documents to which it is a party and its joint and several Obligations thereunder, (ii) affirms that it has the right, power and authority and has taken all necessary corporate and other action to authorize the execution, delivery and performance of this Amendment and (iii) agrees that, notwithstanding the effectiveness of this Amendment, each Loan Document shall continue to be in full force and effect.

11. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic means (including .pdf) shall be effective as delivery of a manually executed counterpart of this Amendment.

[Remainder of page is intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the parties have duly executed this Amendment on the day and year first written above.

BORROWERS:

QUAKER CHEMICAL CORPORATION

By: /s/ MARY DEAN HALL

Name: Mary Dean Hall

Title: Senior Vice President, Chief Financial Officer and Treasurer

QUAKER CHEMICAL B.V.

By: /s/ MARY DEAN HALL

Name: Mary Dean Hall

Title: Authorized Signatory

GUARANTORS:

AC PRODUCTS, INC.

By: /s/ MARY DEAN HALL

Name: Mary Dean Hall

Title: Treasurer

**SUMMIT LUBRICANTS INC.
ECLI PRODUCTS, LLC**

By: /s/ MARY DEAN HALL

Name: Mary Dean Hall

Title: Vice President

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**HOUGHTON INTERNATIONAL INC.
HOUGHTON TECHNICAL CORP.
WALLOVER ENTERPRISES INC.
ULTRASEAL AMERICA, INC.
SIFCO APPLIED SURFACE CONCEPTS, LLC**

By: /s/ MARY DEAN HALL

Name: Mary Dean Hall

Title: President, Chief Financial Officer and Treasurer

**SUMMIT LUBRICANTS INC. AS GENERAL PARTNER OF
QUAKER HOUGHTON INTERNATIONAL LIMITED
PARTNERSHIP**

By: /s/ MARY DEAN HALL

Name: Mary Dean Hall

Title: Vice President

QUAKER SPECIALTY CHEMICALS (UK) LIMITED

By: /s/ MARY DEAN HALL

Name: Mary Dean Hall

Title: Director

**QUAKER HOUGHTON HOLDINGS LIMITED
QH HOLDINGS LIMITED
QH CHEMICAL LIMITED
QH INTERNATIONAL LIMITED**

By: /s/ MICHAEL JAMES MCGRATH

Name: Michael James McGrath

Title: Director

QUAKER HOUGHTON (FINCO) LTD

By: /s/ MICHAEL JAMES MCGRATH

Name: Michael James McGrath

Title: A Director

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**BANK OF AMERICA, N.A., as
Administrative Agent**

By: /s/ Ronado Naval
Name: Ronaldo Naval
Title: Vice President

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BANK OF AMERICA, N.A., as a Lender, L/C Issuer
and U.S. Dollar Swing Line Lender

By: /s/ Kevin Dobosz
Name: Kevin Dobosz
Title: Senior Vice President

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DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ Michael Strobel
Name: Michael Strobel
Title: Vice President

By: /s/ Philip Tancorra
Name: Philip Tancorra
Title: Associate

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CITIZENS BANK, N.A.

By: /s/ Hassan Shakeel

Name: Hassan Shakeel

Title: Vice President

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JPMORGAN CHASE BANK, N.A.

By: /s/ Louis Salvino
Name: Louis Salvino
Title: Vice President

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PNC BANK, NATIONAL ASSOCIATION

By: /s/ Brendan H. May
Name: Brendan H. May
Title: Vice President

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WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Jackie Andreozzi

Name: Jackie Andreozzi

Title: AVP, Portfolio Manager

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CITIBANK, N.A.

By: /s/ Stephanie Epkins

Name: Stephanie Epkins

Title: Senior Vice President

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MUFG UNION BANK, N.A.

By: /s/ Spencer Hughes

Name: Spencer Hughes

Title: Managing Director

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SANTANDER BANK, N.A.

By: /s/ Jeffrey Kauffman
Name: Jeffrey Kauffman
Title: Vice President

By: /s/ Rory Wang
Name: Rory Wang
Title: Vice President

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TD BANK, N.A.

By: /s/ Shannon Batchman
Name: Shannon Batchman
Title: Senior Vice President

Quaker Chemical Corporation
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BBVA USA

By: /s/ Raj Nambiar

Name: Raj Nambiar

Title: Sr. Vice President

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BMO HARRIS BANK N.A.

By: /s/ Josh Hovermale

Name: Josh Hovermale

Title: Director

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BANK OF MONTREAL, LONDON BRANCH

By: /s/ Richard Couzens
Name: Richard Couzens
Title: Managing Director

By: /s/ Scott Matthews
Name: Scott Matthews
Title: Managing Director, CFO International
BMO Financial Group

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CAPITAL ONE, NATIONAL ASSOCIATION

By: /s/ Alfredo Wang

Name: Alfredo Wang

Title: Duly Authorized Signatory

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HSBC BANK USA, N.A.

By: /s/ John S. Frame

Name: John S. Frame

Title: Vice President

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U.S. BANK NATIONAL ASSOCIATION

By: /s/ Mark Irey
Name: Mary Irey
Title: Vice President

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