

QUAKER CHEMICAL CORP
Form DEF 14A
March 29, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

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

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

QUAKER CHEMICAL CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
AND PROXY STATEMENT**

MEETING DATE

May 9, 2018

QUAKER CHEMICAL CORPORATION

One Quaker Park

901 E. Hector Street

Conshohocken, Pennsylvania 19428

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Notice of Annual Meeting of Shareholders

TIME: 8:30 A.M., local time, on Wednesday, May 9, 2018

PLACE: Quaker Chemical Corporation

One Quaker Park

901 E. Hector Street

Conshohocken, Pennsylvania 19428

ITEMS OF BUSINESS: (1) To elect three directors.

(2) To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm to examine and report on our financial statements and internal control over financial reporting for 2018.

(3) To transact any other business properly brought before the meeting.

WHO MAY VOTE: You can vote at the meeting and any adjournment(s) of the meeting if you were a shareholder of record at the close of business on March 12, 2018.

ANNUAL REPORT: A copy of our Annual Report on Form 10-K for the year ended December 31, 2017, is enclosed.

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

By Order of the Board of Directors,

Robert T. Traub

Vice President, General Counsel

and Corporate Secretary

Conshohocken, Pennsylvania

March 29, 2018

Important Notice of Availability of Proxy Materials

for Quaker Chemical Corporation's 2018 Annual Meeting of Shareholders to be held on May 9, 2018.

The Notice of Meeting, Proxy Statement and Annual Report on Form 10-K

are available at www.proxyvote.com.

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QUAKER CHEMICAL CORPORATION

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PROXY STATEMENT

Proxy Statement

This proxy statement is being furnished to our shareholders in connection with the solicitation of proxies on behalf of our Board of Directors for use at our 2018 Annual Meeting of Shareholders, and at any and all adjournments of the meeting, for the purpose of considering and acting upon the matters referred to in the accompanying Notice of Annual Meeting of Shareholders and which are discussed below. The Annual Meeting of Shareholders will be held at our headquarters, located at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428, at 8:30 A.M., local time, on May 9, 2018. The terms we, our, us, the Company and Quaker, as used in this proxy statement, refer to Quaker Chemical Corporation.

This proxy statement, the accompanying form of proxy and a copy of our Annual Report on Form 10-K for the year ended December 31, 2017 are first being mailed to our shareholders on or about April 3, 2018.

Information Concerning the Annual Meeting

What matters will be voted on at the meeting?

At the meeting, shareholders will vote on two proposals:

- Election of three nominees to serve on our Board of Directors;
- Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2018; and
- Transaction of any other business properly brought before the meeting.

How does the Board recommend I vote on the proposals?

The Board recommends that you vote:

- FOR each of the three nominees named in this proxy statement; and
- FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2018.

Who is entitled to vote?

Shareholders of record as of the close of business on March 12, 2018, the record date for the meeting, are entitled to notice of and to vote at the meeting and any adjournments of the meeting.

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

You can cast your vote:

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

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

You can cast your vote:

in person, by first obtaining a voting instruction form issued in your name from your broker and bringing that voting instruction form to the meeting, together with a copy of a brokerage statement reflecting your stock ownership as of the record date and valid identification;

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PROXY STATEMENT

via the Internet, by visiting www.proxyvote.com and following the instructions provided;
by telephone by using the toll-free number found on the voting instruction form; or
by mail, if you mark, sign and date the voting instruction form and return it in the postage-paid envelope provided by your broker.

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

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

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

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

How will my proxy be voted?

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

Proposal 1: FOR the election of each of the three nominees named in this proxy statement to serve on our Board of Directors;

Proposal 2: FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2018; and

In the discretion of the proxies on other matters properly brought before the meeting.

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

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

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

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

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

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

Proposal	Votes Required for Approval	Effect of Abstentions ⁽¹⁾	Uninstructed Shares/ Effect of Broker Non-votes ⁽¹⁾	Signed but Unmarked Proxy Cards ⁽²⁾
<u>Proposal 1</u> Election of directors	Three nominees receiving the highest number of FOR votes (i.e., plurality)	No effect ⁽³⁾	Not voted/No effect ⁽³⁾	Voted For
<u>Proposal 2</u> Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm	Majority of votes cast	No effect ⁽³⁾	Discretionary vote by broker	Voted For

- (1) Abstentions and broker non-votes are included in determining whether a quorum is present.
- (2) If you complete your proxy card properly, but do not provide instructions on your proxy card as to how to vote your shares, your shares will be voted as shown in this column and in accordance with the judgment of the individuals named as proxies on the proxy card as to any other matter properly brought before the annual meeting.
- (3) Under Section 1103 of the Pennsylvania Business Corporation Law of 1988, as amended, abstentions and broker non-votes are not counted as votes cast.

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

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

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

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

Who will count the vote?

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

How many shares can be voted at the meeting and what is the total number of votes that can be cast?

As of March 12, 2018, the record date for the meeting, 13,322,239 shares of Quaker common stock were issued and outstanding. Every holder of Quaker common stock is entitled to one vote for each share held of record on the record date; therefore, at the annual meeting, a maximum of 13,322,239 votes can be cast.

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How many votes may I cast at the meeting?

You will be entitled to cast one vote for each share of common stock you held on March 12, 2018, the record date for the meeting.

What is a quorum?

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

Who can attend the Annual Meeting?

All shareholders of Quaker who owned shares of record on March 12, 2018 may attend the meeting. If you want to vote in person and you hold Quaker common stock in street name (i.e., your shares are held in the name of a brokerage firm, bank or other nominee), you must obtain a proxy card issued in your name from your broker and bring that proxy card to the meeting, together with a copy of a brokerage statement reflecting your stock ownership as of the record date and valid identification. If you hold stock in street name and want to attend the meeting but not vote in person at the meeting, you must bring a copy of a brokerage statement reflecting your stock ownership as of the record date and valid identification.

How will voting on any other business be conducted?

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

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

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

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

The Securities and Exchange Commission (the SEC) permits companies and intermediaries (such as brokers and banks) to satisfy delivery requirements for proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivery of a single proxy statement and annual report to those shareholders. This process, which is commonly referred to as householding, is intended to reduce the volume of duplicate

information shareholders receive and also reduce expenses for companies. Quaker has instituted householding for its registered shareholders; some intermediaries may also be householding Quaker's proxy materials and annual report. Once you have received notice from the Company, your broker or another intermediary that they will be householding materials to your address, householding will continue until you are notified otherwise or until you or another shareholder who shares your address provides contrary instructions.

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If at any time you no longer wish to participate in householding and would prefer to receive a separate proxy statement and annual report, you should contact Victoria K. Gehris, Assistant Secretary, at 610-832-4246, or inform her in writing at Quaker Chemical Corporation, Shareholder Services, One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428. If you hold shares through an intermediary and no longer wish to participate in householding, you should contact your bank, broker or other nominee record holder.

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

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

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PROPOSAL 1

Proposal 1 Election of Directors and Nominee Biographies

What is the makeup of the Board of Directors?

The Quaker Articles of Incorporation divide our Board of Directors into three classes, each consisting, as nearly as possible, of one-third of the directors. The shareholders elect the members of one class each year to serve for a term of three years. Directors elected to fill vacancies and newly created directorships serve for the balance of the term of the class to which they are elected. Currently, there are nine directors, three directors in each of Class I, Class II and Class III. The terms of the Class II directors expire at the 2018 annual meeting of shareholders. At the 2018 annual meeting, three Class II directors are to be elected with each member to serve a three-year term expiring in 2021 and until his successor is duly elected and qualified. The Board of Directors has decided that with William R. Cook not sitting for reelection this year, the size of the Board will be reduced by one member. In anticipation of the closing with Houghton International Inc. (Houghton), and the addition of the three new Board members that is expected to occur upon the closing per the terms of the transaction, the Board is seeking to realign its classes so that the classes stay as nearly even as possible. Accordingly, Mr. Michael F. Barry, who is currently serving as a Class I director, has been nominated as a Class II director to fill the vacancy in Class II, along with the other incumbent Class II directors who are eligible for election, Mr. Donald R. Caldwell and Mr. Jeffrey D. Frisby. If elected, Mr. Barry will serve as a Class II director going forward. If Mr. Barry is not elected to serve as a Class II director, he will continue to serve as a Class I director.

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

Yes, Mr. William R. Cook will not be a nominee for reelection this year. Mr. Cook has decided to retire at the end of his current term.

Who are the Board's nominees this year?

Mr. Michael F. Barry, Mr. Donald R. Caldwell and Mr. Jeffrey D. Frisby are the nominees for election to the Board of Directors as Class II members. Each nominee, if elected, would hold office until our 2021 annual meeting of shareholders and until his successor is duly elected and qualified. Mr. William R. Cook reached normal director retirement age in November of 2017 and will not stand for reelection at the 2018 annual meeting of shareholders.

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PROPOSAL 1

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

Michael F. Barry, 59

Director Since: 2008

Chairman of the Board

Executive Committee

Chief Executive Officer and President

DIRECTOR QUALIFICATION HIGHLIGHTS

Extensive and valuable experience acquired through his various leadership positions within Quaker

Extensive knowledge of accounting/finance, financial reporting, risk assessment, industrial marketing and services, organizational development, global organizations, governance, strategic planning, corporate development, research and development and manufacturing

Developed additional experience in corporate governance through his service as a member of the board of directors of another public company

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

Corporation.

Donald R. Caldwell, 71

Director Since: 1997

Lead Director

Executive Committee (Chair)

Audit Committee

Compensation Committee

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

DIRECTOR QUALIFICATION HIGHLIGHTS

Deep financial, entrepreneurial and business expertise perspective, especially on strategic and financial matters

Experience in financial reporting, risk assessment, strategic planning and corporate development

Developed extensive experience in corporate governance, finance and strategy as a member of the boards and board committees of other public companies

Mr. Caldwell, an experienced and successful investor, co-founded Cross Atlantic Capital Partners, Inc., a venture capital management company, and has served as its Chairman and Chief Executive Officer since 1999. He was Chief Executive Officer of InsPro Technologies Corporation, one of Cross Atlantic Capital Partners' portfolio companies from January 2015 until his resignation on October 9, 2017. Previously, he was President and Chief Operating Officer of Safeguard Scientifics, Inc., a holding company with investments in the growth-stage technology and life sciences businesses, from February 1996 to February 1999. He has been our Lead Director since 2016. He is a director and Chairman of the Board of InsPro Technologies Corporation and a director of Lightning Gaming, Inc., both of which are Cross Atlantic Capital Partners' portfolio companies. He served as a director of Rubicon Technology, Inc., also a Cross Atlantic Capital Partners' portfolio company, until his resignation on November 16, 2017. In addition, he is currently a director of Haverford Trust Company and a director and Chairman of the Board of I-AM Capital Acquisition Company. He was a director of Fox Chase Bancorp. Inc. from October 2014 until July 2016.

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PROPOSAL 1

Jeffrey D. Frisby, 62

Director Since: 2006

Audit Committee

Compensation Committee

President and Chief Executive Officer of PCX Aerostructures, LLC

DIRECTOR QUALIFICATION HIGHLIGHTS

Experience in manufacturing, particularly in the aerospace industry and accounting/finance, financial reporting, industrial marketing, organizational development, global organizations, strategic planning and corporate development

Developed additional experience in corporate governance through his service on the boards of both public and private companies

Mr. Frisby has been President and Chief Executive Officer of PCX Aerostructures, LLC since April 7, 2017. PCX Aerostructures, LLC is a leading supplier of highly engineered, precision, flight critical and structural assemblies for rotorcraft and fixed wing aerospace platforms. He previously was Chief Executive Officer of Triumph Group, Inc., a public company that is a global leader in manufacturing and overhauling aerospace structures, systems and components, from July 2012 to April 2015, and its President from July 2009 to April 2015. He was also Triumph's Chief Operating Officer from July 2009 to July 2012. Prior to that position, he was Group President of Triumph Aerospace Systems Group, a group of companies that design, engineer and manufacture a wide range of proprietary and build-to-print components, assemblies and systems for the global aerospace original equipment manufacturers, from April 2003 to July 2009. He also held a variety of other positions within the Triumph Group as well as a predecessor group company, Frisby Aerospace, Inc. Mr. Frisby served as a director of Triumph Group, Inc. from October 2012 to April 2015. Mr. Frisby currently serves as a director of Astronics Corporation and PCX Aerostructures, LLC.

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

The Board recommends that you vote FOR the election of Michael F. Barry, Donald R. Caldwell and Jeffrey D. Frisby as directors of Quaker.

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CONTINUING DIRECTORS

Biographies of Continuing Directors

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

Mark A. Douglas, 55

Director Since: 2013

Audit Committee

Governance Committee

President, FMC Agricultural Solutions of FMC Corporation

DIRECTOR QUALIFICATION HIGHLIGHTS

Management experience of a global chemical business

Experience in accounting/finance, industrial marketing, organizational development, global organizations, strategic planning, corporate development, technology and science

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

William H. Osborne, 58

Director Since: 2016

Compensation Committee

Governance Committee

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

DIRECTOR QUALIFICATION HIGHLIGHTS

30 years of automotive industry experience

Seasoned executive with significant experience in accounting/finance, financial reporting, engineering, global manufacturing and quality, industrial sales and marketing, organizational development, global organizations, governance, strategic planning, mergers and acquisitions, divestitures and corporate development

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

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CONTINUING DIRECTORS

Fay West, 49

Director Since: 2016

Audit Committee

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

DIRECTOR QUALIFICATION HIGHLIGHTS

Extensive experience in accounting/finance, financial reporting, risk assessment, mergers and acquisitions, divestitures and business restructuring, organizational development, global organizations, strategic planning, governance and corporate development

Developed additional experience in corporate governance through her service as a member of the board of directors of another public company

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

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CONTINUING DIRECTORS

Mr. Barry is being nominated to fill a vacancy in Class II. If Mr. Barry is not elected to serve as a Class II director, he will continue to serve as a Class I director. Information regarding Mr. Barry is presented above with the other Class II nominees. Below is information about our other incumbent directors who were elected as Class I members of the Board in 2017 and whose terms expire in 2020, including descriptions of their qualifications and business experience and directorships over the past five years:

Robert E. Chappell, 73

Director Since: 1997

Governance Committee (Chair)

Executive Committee

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

DIRECTOR QUALIFICATION HIGHLIGHTS

Experience in accounting/finance, financial reporting, risk assessment, organizational development, global organizations, governance, strategic planning and corporate development

Developed additional experience in corporate governance through his service as a member of the board of directors of another public company

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

Robert H. Rock, 67

Director Since: 1996

Compensation Committee (Chair)

Executive Committee

Chairman and Chief Executive

Officer of MLR Holdings, LLC

DIRECTOR QUALIFICATION HIGHLIGHTS

Experience in organizational development, global organizations, governance, strategic planning and corporate development

Developed valuable and diverse experience through his service on the boards of both public and private companies

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

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CORPORATE GOVERNANCE

Corporate Governance

Leadership Structure

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

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

Director Independence

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

On an annual basis, each director and executive officer is obligated to disclose, among other things, any transactions with the Company in which the director (or any organization of which the director is a partner, shareholder or officer) or executive officer, or any member of his or her immediate family, have a direct or indirect material interest. Based on the Company's adopted independence standards and the information provided by the directors, the Board determined at its meeting held on February 27, 2018, that all non-employee directors who served in fiscal 2017, as well as each nominee for director and those non-employee directors who will continue to serve after our 2018 annual meeting of shareholders, are independent within our guidelines and have no material relationship with the Company as defined by our guidelines. The Company's independent non-employee directors are Donald R. Caldwell, Robert E. Chappell, William R. Cook, Mark A. Douglas, Jeffry D. Frisby, William H. Osborne, Robert H. Rock and Fay West.

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

Governance Committee Procedures for Selecting Director Nominees

The Governance Committee's goal is to assemble a Board that brings to Quaker a variety of perspectives and skills derived from high quality business and professional experience. The current composition of the Board includes directors (including those nominated for reelection this year) with complementary skills, expertise and experience such that the Board, on the whole, has competence and experience in a wide range of areas.

Table of Contents**CORPORATE GOVERNANCE**

Quaker's Board includes nine directors who are or have served as chief executive officers or in other executive management roles, seven directors with specialized accounting and finance knowledge, four directors with experience in the chemical industry or other technology or science areas, eight directors who have served on the boards of other public companies, nine directors with international business experience and five directors with experience in industries served by Quaker. The Governance Committee will continue to evaluate the needs of Quaker and its shareholders to ensure that the competency of the Board, as a whole, is relevant and robust.

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

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

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

Table of Contents**CORPORATE GOVERNANCE****Summary of Director Core Competencies**

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

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

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

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

Shareholder Nominations and Recommendations

The Company's Restated By-Laws (By-Laws) describe how shareholders may nominate candidates for election to our Board of Directors. For our 2019 annual meeting of shareholders, shareholders may nominate a candidate for election to our Board only by sending written notice to our Corporate Secretary at our principal office at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428. This notice must be received on or before February 8, 2019, but no earlier than January 9, 2019 (except that if the date of the 2019 annual meeting of shareholders is more than 30 days before or more than 60 days after the anniversary date of the 2018 annual meeting, this notice must be received no earlier than the close of business on the 120th day before the date of the 2019 annual meeting and not later than the close of business on the later of the 90th day before the date of the 2019 annual meeting or, if the first public announcement of the date of the 2019 annual meeting is less than 100 days before the date of the meeting, by the 10th day after the public announcement).

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

In addition to a shareholder's ability to nominate candidates to serve on our Board as described above, shareholders also may recommend to the Governance Committee a prospective nominee for its consideration. The Governance Committee will consider timely recommendations received from shareholders regarding director nominee candidates and accompanied by sufficient information to enable the Governance Committee to assess the candidate's qualifications, along with confirmation of the candidate's consent to serve as a director if elected. Such recommendations should be sent to our Corporate Secretary at our principal office. Any recommendation received from a shareholder after January 1 of any year is not assured of being considered for nomination in that year. The Governance Committee applies the same criteria in evaluating candidates nominated by shareholders as it does in evaluating candidates identified by Company sources. No shareholder or group of shareholders recommended a director nominee for election at Quaker's 2018 annual meeting of shareholders.

Board Oversight of Risk

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

In addition, the Compensation/Management Development Committee is responsible for developing a balanced compensation system for all employees, including appropriate long-term and short-term incentive compensation targets that encourage a level of risk-taking behavior consistent with the overall financial/strategic goals of the Company, as well as oversight of the management, development and succession processes. Finally, from time to time,

Quaker faces other risks material to its business and, in those

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CORPORATE GOVERNANCE

circumstances, the Board (or at times, the Executive Committee) is regularly informed and provides input and advice on actions being considered to mitigate exposures associated with those risks. As appropriate, the Board considers specific risk topics, including risks associated with our strategic plan, our capital structure and our development activities. Further, the Board is routinely informed of developments at and affecting the Company that could affect our risk profile or other aspects of our business through reports from our business units and otherwise. This oversight by the Board is designed to maintain an appropriate level of risk and to address new risks as they arise.

Communications with the Board of Directors; Corporate Governance Guidelines

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

Code of Conduct

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

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

- accounting practices, internal accounting controls, or auditing matters and procedures;
- theft or fraud of any amount;
- insider trading;
- performance and execution of contracts;

conflicts of interest;
violations of securities and antitrust laws; and
violations of the Foreign Corrupt Practices Act.

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CORPORATE GOVERNANCE

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

The Audit Committee oversees the administration of the Company's compliance program and is directly responsible for the disposition of all reported violations of the Financial Code of Ethics for Senior Financial Officers and complaints received regarding accounting, internal accounting controls or audit matters. In addition, the Audit Committee is responsible for the disposition of all violations of (and approves any waivers to) the Code of Conduct for directors and executive officers and for the disposition of other serious violations of the Code of Conduct. No such waivers were requested in 2017. We maintain a current copy of our Financial Code of Ethics for Senior Financial Officers and will promptly post any amendments to or waivers of our Financial Code of Ethics for Senior Financial Officers on our website at <https://www.quakerchem.com> under the heading Investors/Corporate Governance.

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Table of Contents**COMMITTEES****Meetings and Committees of the Board**

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

Name	Committee Membership and Meetings Held in 2017			
	Audit	Compensation/ Management Development	Executive	Governance
Michael F. Barry			X	
Donald R. Caldwell	X	X	CHAIR	
Robert E. Chappell			X	CHAIR
William R. Cook	CHAIR		X	X
Mark A. Douglas	X			X
Jeffry D. Frisby	X	X		
William H. Osborne		X		X
Robert H. Rock		CHAIR	X	
Fay West	X			
Number of Meetings in 2017 ⁽¹⁾	5	5	0	3

X Member. Each of the individuals listed in the table above held the committee memberships indicated throughout 2017, unless otherwise indicated.

(1) The Board of Directors held five regular meetings and one special meeting in 2017. Each director attended, in person or by teleconference, at least 75% of the aggregate of all the meetings of the Board and the committee(s) on which he or she served during 2017.

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

Quaker does not have a formal policy regarding attendance by members of the Board at its annual meeting of shareholders, but all directors are encouraged to attend. In 2017, all directors attended the annual meeting of shareholders.

Audit Committee:

Engages the independent registered public accounting firm and approves all audit and non-audit fees. Reviews and discusses with management and the independent registered public accounting firm the annual and quarterly financial statements, including disclosures in the Company's SEC Reports under Management's Discussion and Analysis of Financial Condition and Results of Operations.

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COMMITTEES

Discusses with management and the independent registered public accounting firm any audit concerns or difficulties and management's response.

Reviews the internal audit plan and discusses with the internal auditor and the independent registered public accounting firm their assessment of the effectiveness of Quaker's internal controls.

Oversees the handling of matters relating to compliance with law and ethics, including adherence to the standards of business conduct and ethics required by Quaker's policies.

Provides oversight to the Chief Financial Officer and Risk Manager on matters relating to risk management generally.

Compensation/Management Development Committee:

Reviews management's compensation philosophies and policies.

Approves annual performance objectives for the CEO, evaluates the CEO's performance against objectives and makes a recommendation to the Board regarding the CEO's base salary.

Reviews performance evaluations and approves annual salaries for all executive officers, other than the CEO.

Approves annual incentive and long-term incentive award opportunities for all executive officers, including the CEO.

Administers Quaker's Global Annual Incentive Plan and Long-Term Performance Incentive Plan.

Reviews and evaluates management development and succession planning and oversees these processes.

Reviews and discusses with management disclosures under the Compensation Discussion and Analysis section of this proxy statement and makes recommendations to the Board for inclusion of the Compensation Discussion and Analysis section in this proxy statement and the Company's Annual Report on Form 10-K.

Executive Committee:

Acts for the Board in situations requiring prompt action when a meeting of the full Board is not feasible.

Makes recommendations to the Board about external corporate development programs.

Establishes guidelines regarding Quaker's capital structure and deployment of capital resources.

Governance Committee:

Evaluates the size and composition of the Board and recommends changes as appropriate.

Reviews and recommends nominees for election as directors.

Reviews the Board's committee structure and recommends directors to serve as members of each committee.

Reviews and makes recommendations to the Board with respect to the compensation of the Company's directors.

Develops and reviews annually Quaker's Corporate Governance Guidelines.

Conducts an annual performance evaluation of the Board and ensures each Board committee conducts its own annual self-evaluation.

Reviews and approves related party transactions and similar transactions and establishes policies and procedures for such transactions.

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

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INTERLOCKS AND INSIDER PARTICIPATION

Compensation Committee Interlocks and Insider Participation

The individuals who served as members of the Compensation/Management Development Committee during the year ended December 31, 2017 are Robert H. Rock (Chairman), Donald R. Caldwell, Jeffrey D. Frisby and William H. Osborne, each of whom is an independent director. No member of the Compensation/Management Development Committee was, during 2017, or had previously been, an officer or employee of Quaker or its subsidiaries nor had any material interest in a transaction with Quaker or a business relationship with, or any indebtedness to, Quaker, in each case that would require disclosure under applicable rules of the SEC. During 2017, no executive officer of Quaker served as a director or a member of the compensation committee of another company, one of whose executive officers served as a member of Quaker's Board of Directors or Compensation/Management Development Committee.

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EXECUTIVE COMPENSATION

Executive Compensation

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis section is to explain to shareholders how and why compensation decisions are made for the executive officers listed in the Summary Compensation Table below. When we use the term executive officers, we mean the Named Executive Officers for fiscal 2017, who are Michael F. Barry, Mary Dean Hall, D. Jeffrey Benoliel, Wilbert Platzer and Joseph A. Berquist, as well as the Company's other senior officers.

Executive Summary

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

In fiscal 2017, Quaker's executive team successfully managed the Company to post record sales and again post record non-GAAP earnings per diluted share and adjusted EBITDA results. Net sales increased by 10% over the prior year, non-GAAP earnings per diluted share increased by 9% as compared to fiscal 2016, and the Company's adjusted EBITDA increased 8% year-over-year to a record \$115.2 million, exceeding \$100 million for the third year in a row and for the third time in Company history. Our average stock price in 2017 was \$142.29 per share compared to \$94.74 per share in the prior year and \$83.29 per share in 2015, a more than \$47 increase over last year (which is a 50% increase year-over-year on a percentage basis) and a record share price.

In this Compensation Discussion and Analysis, we refer to non-GAAP earnings per diluted share and adjusted EBITDA, which are non-GAAP financial measures. A full discussion of our use of non-GAAP earnings per diluted share and adjusted EBITDA to enhance a reader's understanding of the financial performance of the Company, and a reconciliation of these measures to earnings per diluted share and net income, respectively, can be found in

Non-GAAP Measures of Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, provided with this proxy statement.

In making decisions about fiscal 2017 salaries and performance targets, the Committee also considered fiscal 2016 corporate performance. Factors affecting the key components of our executive compensation programs for fiscal 2017 were:

Adjusted Net Income. Adjusted net income is a key metric for the corporate component of the Company's annual cash incentive awards (the adjustments to net income for purposes of setting these targets are explained in greater detail below). Performance with respect to this metric for fiscal 2017 was slightly above target level and resulted in

a payout representing 55% of the maximum payment for the corporate component of the annual cash incentive awards for the Named Executive Officers.

Quaker's Stock Performance. Long-term incentives make up a significant portion of each of the Named Executive Officers' compensation. In order to align the Named Executive Officers' incentives with our shareholder returns, the value to be earned on our long-term awards is directly linked to the performance of our stock. The equity component of these incentives is tied to stock performance and the amount payable on our cash awards is based on our total shareholder return (which we define as the year-over-year stock price increase or decrease plus dividends paid) as compared to a specific peer group. Our Named Executive

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