

QUAKER CHEMICAL CORP

Form S-3

November 23, 2009

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As filed with the Securities and Exchange Commission on November 23, 2009

Registration No. 333-

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-3**  
**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**QUAKER CHEMICAL CORPORATION**

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of incorporation or organization)

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**23-0993790**

**(I.R.S. Employer Identification Number)**

**One Quaker Park, 901 E. Hector Street**

**Conshohocken, Pennsylvania 19428-2380**

**Phone Number: (610) 832-4000**

**(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)**

**Michael F. Barry**

**Chairman, Chief Executive Officer and President**

**Quaker Chemical Corporation**

**One Quaker Park, 901 E. Hector Street**

**Conshohocken, Pennsylvania 19428-2380**

**Phone Number: (610) 832-4000**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

*Copy to:*

**Howell J. Reeves, Esquire**

**Duane Morris LLP**

**30 South 17<sup>th</sup> Street**

**Philadelphia, PA 19103**

**(215) 979-1926**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement.

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If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered (1)(2)(3)	Proposed maximum offering price per unit (3)	Proposed maximum aggregate offering price (1)(3)(4)	Amount of registration fee (3)
Debt Securities				
Preferred Stock				
Depository Shares (5)				
Common Stock, \$1.00 par value (6)				
Warrants				
Units (7)				
Total			\$100,000,000	\$5,580.00

(1) Also includes an indeterminate number of shares of common stock or preferred stock as may be issued by the Registrant upon exercise, conversion or exchange of any securities that provide for such issuance. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities or that are issued in units or represented by depository shares.

(2)

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Pursuant to Rule 416 under the Securities Act of 1933, this registration statement also covers any additional securities that may be offered or issued in connection with any stock split, stock dividend or similar transaction.

- (3) Pursuant to General Instruction II.D. of Form S-3, the table lists each of the classes of securities being registered and the aggregate proceeds to be raised, but does not specify by each class information as to the amount to be registered, proposed maximum offering price per unit, and proposed maximum aggregate offering price.
- (4) The proposed maximum aggregate offering price has been estimated solely to calculate the registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

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- (5) Each depositary share will be issued under a deposit agreement, will represent an interest in a fractional share or multiple shares of preferred stock and will be evidenced by a depositary receipt.
  
- (6) Each share of common stock includes the associated Series B Preferred Stock Purchase Right which, prior to the occurrence of certain events, will not be exercisable or evidenced separately from the Common Stock, as described in Description of Common Stock. Each share of common stock also includes, if applicable, any shareholder right or similar right associated with one share of common stock under any shareholder rights plan or similar plan that is adopted in the future, as described in Description of Common Stock.
  
- (7) Each unit will be issued under a unit agreement or indenture and will represent an interest in two or more securities, which may be any of the securities registered under this Registration Statement, which securities may or may not be separable from one another.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED NOVEMBER 23, 2009**

PROSPECTUS

# **QUAKER CHEMICAL CORPORATION**

**\$100,000,000**

**DEBT SECURITIES**

**PREFERRED STOCK**

**DEPOSITARY SHARES**

**COMMON STOCK**

**WARRANTS**

**UNITS**

We may from time to time in one or more offerings offer and sell up to \$100,000,000 aggregate dollar amount of debt securities, preferred stock (either separately or represented by depositary shares), common stock and warrants, as well as units that include any of these securities. The debt securities, preferred stock and warrants may be convertible into or exercisable or exchangeable for common or preferred stock of our company.

We may offer the securities separately or together, in separate series or classes and in amounts, at prices and on terms described in one or more supplements to this prospectus and other offering material.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and any other information relating to a specific offering including the specific manner in which the securities may be offered, will be set forth in a supplement to this prospectus. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and each applicable prospectus supplement carefully before you invest.

Our common stock trades on the New York Stock Exchange under the symbol KWR. Our principal executive offices are located at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428-2380. The telephone number at our principal executive offices is (610) 832-4000.

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See the **Risk Factors** section of our filings with the SEC and the applicable prospectus supplement for certain risks that you should consider before investing in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is \_\_\_\_\_, 2009.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities offered by us. Each time we sell securities, we will provide a prospectus supplement, information that is incorporated by reference into this prospectus, or other offering material that will contain specific information about the terms of that offering. The prospectus supplement and any other offering material may also add to, update or change information contained in the prospectus or in documents we have incorporated by reference into this prospectus and, accordingly, to the extent inconsistent, information in or incorporated by reference in this prospectus is superseded by the information in the prospectus supplement and any other offering material related to such securities.

The prospectus supplement to be attached to the front of this prospectus may describe, as applicable: the terms of the securities offered, the initial public offering price, the price paid for the securities, net proceeds and the other specific terms related to the offering of these securities.

You should read carefully the entire prospectus, as well as the documents incorporated by reference in the prospectus, the applicable prospectus supplement and any other offering material, before making an investment decision.

Other than in those sections of this prospectus where we have otherwise indicated, when used in this prospectus, the terms Quaker, the company, we, us, and our refer to Quaker Chemical Corporation, a Pennsylvania corporation, and its consolidated subsidiaries, unless the context otherwise requires.

You should rely only on the information contained or incorporated by reference in this prospectus, any prospectus supplement and any other offering material. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer and sale is not permitted. You should not assume that the information appearing in this prospectus, any prospectus supplement, any other offering material or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates, regardless of the time of delivery of this prospectus, any prospectus supplement, any other offering material or any sale of a security. Our business, financial condition, results of operation and prospects may have changed since those dates.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials we file with the SEC at the following location of the SEC:

Public Reference Room

100 F Street, N.E., Room 1580

Washington, D.C. 20549

You may obtain information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a Web site that contains reports, proxy and information statements and other information that we electronically file with the SEC, which you can access over the Internet at <http://www.sec.gov>. We maintain a Web site at <http://www.quakerchem.com> with information about our company. Information contained on our Web site or any other Web site is not incorporated into this prospectus and does not constitute a part of this prospectus. Our Web site address referenced above is intended to be an inactive textual reference only and not an active hyperlink to our Web site. You can also obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

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**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate by reference into this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. Any information referenced this way is considered to be part of this prospectus, and any information that we file later with the SEC will automatically update and, where applicable, supersede this information. We incorporate by reference the following documents that we have filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with the SEC's rules):

- (a) The Company's annual report on Form 10-K for the year ended December 31, 2008 filed on March 5, 2009 (the consolidated financial statements for the three years ended December 31, 2008 contained in the Company's annual report on Form 10-K have been retrospectively adjusted to reflect the adoption of Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51* and FASB Staff Position EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*, as described in the current report on Form 8-K filed on November 23, 2009);
- (b) The Company's quarterly reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, filed on April 28, 2009, July 29, 2009 and October 27, 2009, respectively;
- (c) The Company's current reports on Form 8-K dated February 17, 2009 and November 23, 2009, respectively;
- (d) The Company's proxy statement dated March 31, 2009 (with respect to information contained in such proxy statement that is incorporated into Part III of the Company's annual report on Form 10-K only);
- (e) The description of the Company's Common Stock contained in its registration statement on Form 8-A/A filed on August 2, 1996, including all amendments or reports filed for the purpose of updating that description (other than any portion of such filings that are furnished under applicable SEC rules rather than filed); and
- (f) The description of the Company's stock purchase rights set forth in its registration statement on Form 8-A filed on March 7, 2000, including amendments or reports filed for the purpose of updating that description (other than any portion of such filings that are furnished under the applicable SEC rules rather than filed).

We also incorporate by reference any future filings we make with the SEC (other than information furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K or as otherwise permitted by the SEC's rules) under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we have sold all of the securities to which this prospectus relates or the offering is otherwise terminated.

This prospectus is part of a registration statement we have filed with the SEC on Form S-3 relating to the securities. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement and the accompanying exhibits and schedules we file with the SEC. We have filed or incorporated by reference certain legal documents that control the terms of the securities offered by this prospectus as exhibits to the registration statement. We may file certain other legal documents that control the terms of the securities offered by this prospectus as exhibits to reports we file with the SEC. You may refer to the registration statement and the exhibits and schedules for more information about us and our securities. The registration statement and exhibits and schedules are also available at the SEC's Public Reference Room or through its Web site.

You may obtain a copy of these filings, at no cost, by writing or telephoning us at the following address or telephone number:

Quaker Chemical Corporation

Investor Relations

One Quaker Park

901 E. Hector Street

Conshohocken, Pennsylvania 19428-2380

(610) 832-4119

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Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference.

### **DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements in this prospectus, any prospectus supplement, any other offering material and any documents we incorporate by reference may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, referred to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. The Private Securities Litigation Reform Act of 1995 provides certain safe harbor provisions for forward-looking statements. All forward-

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looking statements made in this prospectus, any prospectus supplement, any other offering material and any documents we incorporate by reference are made pursuant to the Private Securities Litigation Reform Act. Words such as, but not limited to, believe, expect, anticipate, estimate, intend, plan, may, will, should, and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, without limitation, statements regarding our current and future business activities, operational matters, cash needs, cash reserves, liquidity, operating and capital expenses, financing options, including the state of the capital markets and our ability to access the capital markets, expense reductions, the future outlook of Quaker, operating results and pending litigation. Although we believe our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations, and actual results, performance or achievements may differ materially from those that might be anticipated from our forward-looking statements. This can occur as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties. Factors that may cause our actual results, performance or achievements to differ materially from that contemplated by such forward-looking statements include, among others:

changes in the industries and markets that we serve could have a material adverse effect on our liquidity, financial position and results of operations;

we may be unable to achieve sufficient price increases or contract concessions to offset increases in the costs of raw materials, or price increases that we implement may result in the loss of sales;

bankruptcy of one or more significant customers could have a material adverse effect on our liquidity, financial position and results of operations;

our credit facility contains limitations on our ability to make capital expenditures, investments and acquisitions and on our ability to incur liens, and includes default provisions that permit our lenders, among other things, to decline to make further advances and/or to accelerate our obligation to repay all of our outstanding obligations under the credit facility in the event of our inability to comply with the terms of the credit facility;

we may not be able to renew or extend our credit facility when its current term expires in 2012 or enter into a new credit facility. If we are able to renew or extend our credit facility, it may be on terms substantially less favorable than those of our current credit facility;

we are a party to proceedings, cases and requests for information from, and negotiations with, various claimants and federal and state agencies relating to various matters, including environmental matters, and an adverse result in one or more of these matters could materially and adversely affect our liquidity, financial position and results of operations;

our continued success depends on our ability to continuously develop and manufacture new products and product enhancements on a timely and cost-effective basis in response to customers' demands, and we may not be able to develop and introduce products incorporating new technologies in a timely manner that will satisfy our customers' future needs or achieve market acceptance;

since significant revenues and earnings are generated by non-U.S. operations, our financial results are affected by currency fluctuations, particularly between the U.S. dollar, the E.U. euro, the Brazilian real and the Chinese renminbi, and the impact of those currency fluctuations on the underlying economies;

our international operations involve additional risks that include, but are not limited to, the following:

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changes in economic conditions from country to country;

changes in a country's political system;

trade protection measures;

licensing and other legal requirements;

local tax requirements;

longer payment cycles in certain foreign markets;

restrictions in some countries on the repatriation of our assets, including cash;

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significant foreign and U.S. taxes on repatriated cash;

the difficulties of staffing and managing dispersed international operations;

less protective foreign intellectual property laws; and

legal systems that may be less developed and predictable than those in the United States;

in the event we determine that we will not be able in the future to realize all or part of our net deferred tax asset, we will be required to make an adjustment to the amount of our deferred tax asset that will result in a non-cash charge to income in the period the determination is made and, depending on the amount of the charge, it can have a material adverse effect on our financial statements;

the industry in which we operate is very competitive and increased competition could adversely affect our profitability;

our results of operations and financial condition could be materially adversely affected by the occurrence of natural disasters or other catastrophic events, including war and terrorism; and

the loss of management and other key personnel could significantly harm our business.

In addition, these statements could be affected by general domestic and international economic and political conditions, uncertainty as to the future direction of the economy and vulnerability of the economy to domestic or international incidents, as well as market conditions in our industry. Other factors that could cause our actual results, performance or achievements to differ materially from that contemplated by forward-looking statements are those discussed under the heading **Risk Factors** and in other sections of our annual report on Form 10-K for the year ended December 31, 2008, as well as in our other reports filed from time to time with the SEC that are incorporated by reference into this prospectus and in the applicable prospectus supplement.

We caution the reader that the factors described above may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. Management cannot predict such new risk factors, nor can it assess the impact, if any, of such new risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results, performance or achievements to differ materially from those projected in any forward-looking statements. We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained throughout this prospectus or in any prospectus supplement or in the information incorporated by reference herein or therein.

**THE COMPANY**

Quaker develops, produces, and markets a broad range of formulated chemical specialty products for various heavy industrial and manufacturing applications and, in addition, offers and markets chemical management services, which we refer to as **CMS**. Quaker's principal products and services include: (i) rolling lubricants (used by manufacturers of steel in the hot and cold rolling of steel and by manufacturers of aluminum in the hot rolling of aluminum); (ii) corrosion preventives (used by steel and metalworking customers to protect metal during manufacture, storage, and shipment); (iii) metal finishing compounds (used to prepare metal surfaces for special treatments such as galvanizing and tin plating and to prepare metal for further processing); (iv) machining and grinding compounds (used by metalworking customers in cutting, shaping, and grinding metal parts which require special treatment to enable them to tolerate the manufacturing process, achieve closer tolerance, and improve tool life); (v) forming compounds (used to facilitate the drawing and extrusion of metal products); (vi) hydraulic fluids (used by steel, metalworking, and other customers to operate hydraulically activated equipment); (vii) technology for the removal of hydrogen sulfide in various industrial applications; (viii) chemical milling maskants for the aerospace industry and temporary and permanent coatings for metal and concrete products; (ix) construction products, such as flexible sealants and protective coatings, for various applications; and (x) programs to provide chemical management services. Individual product lines representing more than 10% of consolidated revenues for any of the past three years are as follows:

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	<b>2008</b>	<b>2007</b>	<b>2006</b>
Rolling lubricants	19.7%	19.8%	21.0%
Machining and grinding compounds	17.7%	17.6%	16.6%
Chemical management services	11.1%	12.2%	10.3%
Hydraulic fluids	11.1%	10.7%	10.8%
Corrosion preventives	10.2%	10.3%	10.6%

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A substantial portion of Quaker's sales worldwide are made directly through its own employees and its CMS programs with the balance being handled through value-added resellers and agents. Quaker employees visit the plants of customers regularly and, through training and experience, identify production needs which can be resolved or alleviated either by adapting Quaker's existing products or by applying new formulations developed in Quaker's laboratories. Quaker makes little use of advertising but relies heavily upon its reputation in the markets which it serves. Generally, separate manufacturing facilities of a single customer are served by different personnel. As part of the Company's chemical management services, certain third-party product sales to customers are managed by the Company. Where the Company acts as principal, revenues are recognized on a gross reporting basis at the selling price negotiated with the customers. Where the Company acts as an agent, such revenue is recorded using net reporting as service revenues, at the amount of the administrative fee earned by the Company for ordering the goods. Third-party products transferred under arrangements resulting in net reporting totaled \$32.2 million, \$52.7 million and \$62.8 million for 2008, 2007 and 2006, respectively. The Company recognizes revenue in accordance with the terms of the underlying agreements, when title and risk of loss have been transferred, collectability is reasonably assured, and pricing is fixed or determinable. This generally occurs for product sales when products are shipped to customers or, for consignment arrangements, upon usage by the customer and when services are performed. License fees and royalties are recognized in accordance with agreed-upon terms, when performance obligations are satisfied, the amount is fixed or determinable, and collectability is reasonably assured, and are included in other income.

We were incorporated in the Commonwealth of Pennsylvania in 1930. Our principal executive offices are located at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428-2380 and our telephone number is (610) 832-4000.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth the unaudited consolidated ratio of earnings to fixed charges for the periods shown:

	<b>Nine Months Ended</b>	<b>Year Ended December 31</b>				
	<b>September 30, 2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Ratio of earnings to fixed charges <sup>1</sup>	3.3	3.3	3.8	3.7	2.2	5.3

<sup>1</sup> In computing the ratio of earnings to fixed charges: (i) earnings were the income from continuing operations before income taxes and adjustment for income (loss) from equity affiliates and noncontrolling interests, fixed charges, distributed income of equity affiliates and excluding capitalized interest and noncontrolling interest in income before taxes of subsidiaries that have not incurred fixed charges; and (ii) fixed charges were the sum of interest expense, amortization of debt issuance costs, capitalized interest and the estimated interest component included in rental expense. Ratios of earnings to combined fixed charges and preferred stock dividends requirements are not presented because there was no outstanding preferred stock in any of the periods indicated.



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**USE OF PROCEEDS**

Unless indicated otherwise in the applicable prospectus supplement or other offering material, we expect to use the net proceeds from the sale of our securities for our operations and for other general corporate purposes, including, but not limited to, capital expenditures, repayment or refinancing of borrowings, working capital, investments and acquisitions. Additional information on the use of net proceeds from the sale of securities offered by this prospectus may be set forth in the applicable prospectus supplement or other offering material relating to such offering. If net proceeds from a specific offering will be used to repay indebtedness, the applicable prospectus supplement or other offering material will describe the relevant terms of the debt to be repaid.

**DESCRIPTION OF SECURITIES WE MAY OFFER**

We may issue from time to time, in one or more offerings the following securities:

debt securities;

shares of preferred stock;

depository shares;

shares of common stock;

warrants exercisable for our debt securities, preferred stock, depository shares or common stock; and

units comprised of any combination of our debt securities, preferred stock, depository shares, common stock and warrants.

We may issue the debt securities as exchangeable for or convertible into shares of common stock or preferred stock. The preferred stock may also be exchangeable for and/convertible into shares of common stock or another series of preferred stock.

This prospectus contains a summary of the material general terms of the various securities that we may offer. The specific terms of the securities will be described in a prospectus supplement, information incorporated by reference or other offering material, which may be in addition to or different from the general terms summarized in this prospectus. When a particular series of securities is offered, a supplement to this prospectus will be delivered with this prospectus, which will set forth the terms of the offering and the sale of the offered securities.

**DESCRIPTION OF DEBT SECURITIES**

We may offer secured or unsecured debt securities of Quaker Chemical Corporation, which may be convertible.

The debt securities will be issued under one or more indentures, each dated as of a date on or before the issuance of the debt securities to which it relates. Each indenture will be entered into between Quaker Chemical Corporation, as obligor, and a trustee chosen by us and qualified to act as a trustee under the Trust Indenture Act of 1939, which we refer to as the TIA.

Each indenture will be in the form of the indenture filed as an exhibit to the registration statement of which this prospectus is a part, subject to any amendments or supplements to such indenture as we may adopt from time to time, which form is incorporated by reference into this prospectus. You should read the indenture because it will control your rights as a holder of debt securities. The terms of the indenture will also be governed by the TIA. You should refer to the indenture for more specific information.

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The following description is a summary of selected general provisions relating to the debt securities and the indenture. When the debt securities are offered in the future, a prospectus supplement, information incorporated by reference, or other offering material, as applicable, will explain the particular terms of those securities and the extent to which these general provisions may apply. The specific terms of the debt securities as described in a prospectus supplement, information incorporated by reference, or other offering material will supplement and, if applicable, may modify or replace the general terms described in this section. Accordingly, for a description of the terms of a particular issue of debt securities, reference must be made to both the related prospectus supplement and to the following description. This summary and any description of debt securities in the applicable prospectus supplement, information incorporated by reference or other offering material is subject to and is qualified in its entirety by reference to all the provisions of the indenture, as that indenture may be supplemented, amended or modified from time to time as provided therein.

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When we refer to Quaker, we, us, or our in this section of the prospectus or when we otherwise refer to ourselves in this section of the prospectus, we mean only Quaker Chemical Corporation and not any of our subsidiaries or associated companies.

We use the term trustee to refer to the trustee or trustees under any indenture we may enter into.

### **General**

Unless otherwise specified in a prospectus supplement, the debt securities will be our direct unsecured obligations, will represent our senior, senior subordinated or subordinated obligations and may be issued from time to time in one or more series. The senior debt securities will rank equally with each other and with all of our other senior and unsubordinated debt. Unless otherwise specified in a prospectus supplement, the senior debt securities will effectively be subordinated to our secured indebtedness, including amounts we have borrowed under any secured credit facility, to the extent of the collateral for such secured indebtedness. The senior subordinated debt securities will be subordinate and junior in right of payment, as more fully described in any applicable supplement to the indenture, to the senior indebtedness designated in such supplemental indenture, and will rank equally with our other senior subordinated indebtedness. The subordinated debt securities will be subordinate and junior in right of payment, as more fully described in any applicable supplement to the indenture, to all of our senior and senior subordinated indebtedness designated in such supplemental indenture. All these debt securities will be structurally subordinate and junior to the liabilities of our subsidiaries.

We will include in a supplement to this prospectus the specific terms of each series of the debt securities being offered. These terms will include some or all of the following:

the title, aggregate principal amount and classification of the debt securities;

any limit on the total principal amount of the debt securities; unless otherwise provided, a series may be reopened, without the consent of the holders of the debt securities of such series, for issuance of additional debt securities of such series;

the price or prices at which the debt securities will be issued, including the amount of discount or premium, if any, with which the debt securities will be issued;

the dates on which the debt securities will mature;

the rate (which may be fixed or variable) at which the debt securities will bear interest, or the method for determining the rate at which the debt securities will bear interest, and the date from which any interest will accrue;

the interest payment dates for the debt securities or the method of determining those dates;

any terms applicable to original issue discount, if any, including the rate or rates at which such original issue discount, if any, will accrue;

any mandatory or optional sinking fund or analogous provisions;

the place where we will pay, or the method of payment of, principal, premium and interest on the debt securities;

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any mandatory or optional redemption periods and prices and any provisions for mandatory repurchase offers under certain circumstances;

the terms, if any, relating to the seniority or subordination of all or any portion of the debt securities;

the currency or currencies in which we will pay principal, premium and interest on the debt securities;

the portion of the principal amount of the debt securities, if other than the principal amount thereof, payable upon acceleration of maturity thereof;

the manner in which we will determine the amounts of principal, premium or interest payments on the debt securities if these amounts may be determined by reference to an index or based on a formula;

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provisions relating to covenant defeasance and legal defeasance provisions;

provisions relating to the satisfaction and discharge of the indenture;

the registrar and the paying agent for the debt securities;

if applicable, the terms of any right to convert debt securities into shares of, or exchange debt securities for, Quaker common stock or other securities or property;

whether the securities issued by us will be secured or unsecured, and, if secured, a description of the collateral;

whether the debt securities will be issued in the form of one or more global securities, and if so, the depository for that security or securities and information with respect to book-entry procedures;

the covenants of Quaker with respect to a series of debt securities that are in addition to, modify or delete those described in the indenture;

the events of default relating to the debt securities that are in addition to, modify or delete those described in the indenture;

any listing or intended listing of the debt securities on a securities exchange; and

any other terms of the debt securities that are in addition to, modify or delete those described in the indenture.

Unless otherwise indicated in the prospectus supplement, information incorporated by reference or other offering material, the debt securities will be issued in registered form, without coupons, and in denominations of \$1,000 and any integral multiple of \$1,000.

To the extent applicable, we will also describe any special provisions for the payment of additional amounts with respect to the debt securities in a prospectus supplement, information incorporated by reference or other offering material.

We may issue debt securities at a discount below their stated principal amount, creating original issue discount, or OID, for United States federal income tax purposes. Even if we do not issue the debt securities below their stated principal amount, the debt securities may be deemed to have been issued with OID for such purposes because of certain interest payment characteristics. We will describe in a prospectus supplement, information incorporated by reference or other offering material the material United States federal income tax considerations applicable to debt securities issued at a discount or deemed to be issued at a discount, and will describe the material United States federal income tax considerations that may be applicable to the particular debt securities.

**Selection and Notice Upon Optional Redemption**

Optional redemption provisions, if any, relating to any series of debt securities will be described in any prospectus supplement. The indenture provides that, in the event of an optional redemption, if less than all of the debt securities of any series are to be redeemed at any time, the trustee will select the debt securities of such series to be redeemed among the holders of debt securities of such series as follows:

(1) if the debt securities of such series are listed, in compliance with the requirements of the principal national securities exchange on which the debt securities of such series are listed, or

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(2) if the debt securities of such series are not so listed, on a pro rata basis, by lot or in accordance with any other method the trustee considers fair and appropriate.

No debt securities of \$1,000 or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of debt securities to be redeemed at its registered address. Notices of redemption may be conditional in that the Company may, notwithstanding the giving of the notice of redemption, condition the redemption of the debt securities specified in the notice of redemption upon the completion of other transactions, such as refinancings or acquisitions (whether of the Company or by the Company).

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If any debt security is to be redeemed in part only, the notice of redemption that relates to such debt security shall state the portion of the principal amount thereof to be redeemed. A new debt security of such series in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original debt security. Debt securities called for redemption will become due on the date fixed for redemption, subject to the satisfaction of any conditions to such redemption. On and after the redemption date, subject to the satisfaction of any conditions to such redemption, interest will cease to accrue on the debt securities or portions of them called for redemption so long as the Company has deposited with the paying agent funds sufficient to pay the principal of, plus accrued and unpaid interest and additional interest, if any, on the debt securities to be redeemed.

## **Covenants**

In addition to any covenants specified in the applicable prospectus supplement for any series of debt securities, under the indenture, we will agree:

to pay the principal of, premium, if any, and interest and additional interest, if any, on the debt securities when due;

to maintain a place of payment;

to file reports with the SEC;

to deliver a certificate to the trustee each fiscal year reviewing our compliance with our obligations under the indenture; and

to preserve our corporate existence.

## **Merger, Consolidation, or Sale of Assets**