



## **QUAKER HOUGHTON AUDIT COMMITTEE CHARTER**

This Charter has been adopted by the Board of Directors (the “Board”) of Quaker Houghton (the “Company,” or “Quaker Houghton”) to govern its Audit Committee (the “Committee”), which shall have the authority, responsibilities, and specific powers described below.

### **PURPOSE**

The Committee shall provide assistance to the Directors in fulfilling their responsibility to the shareholders relating to oversight of (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal and regulatory requirements, (3) the qualifications and independence of the Company’s independent registered public accounting firm, and (4) the performance of the Company’s internal audit function and independent registered public accounting firm. In addition, the Committee shall prepare the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

### **COMMITTEE MEMBERSHIP**

The Committee shall consist of the number of members fixed from time to time by the Board, and shall at all times consist of no fewer than three members. The Committee and its Chairperson shall be appointed by the Board on the recommendation of the Chairman of the Board and the Governance Committee. Each member of the Committee shall be a member of the Board who meets the independence and experience requirements of the New York Stock Exchange and, as applicable, the SEC. All members of the Committee shall have a general understanding of basic finance and accounting practices and at least one member shall in the Board’s judgement, have accounting or related financial management expertise. The Board will also determine if any member is an “audit committee financial expert” as defined by the SEC. Any Committee member may be removed by the Board. If any Committee member simultaneously serves on an audit

committee of more than two other public companies, the Board shall determine that such simultaneous service would not impair the member's ability to effectively serve on the Committee.

## **COMMITTEE DUTIES AND RESPONSIBILITIES**

The Committee shall have the following duties and responsibilities:

- (1) To retain and terminate the Company's independent registered public accounting firm and approve, in advance, all audit engagement fees and terms and all non-audit engagements with the independent registered public accounting firm. The Committee shall consult with Management but shall not delegate this authority since the independent registered public accounting firm is ultimately accountable to the Committee.
- (2) To obtain and review, at least annually, a report by the Company's independent registered public accounting firm describing the following: (i) the registered public accounting firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) in order to assess the registered public accounting firm's independence, all relationships between the independent registered public accounting firm and the Company.
- (3) To review and evaluate the experience, qualifications and performance of the Company's independent registered public accounting firm and lead partner annually, ensuring that all applicable engagement team rotation requirements are observed. The Committee shall also periodically consider whether, in order to assure continuing auditor independence, there should be regular rotation of the Company's independent registered public accounting firm itself.
- (4) To review and discuss with Management and the independent registered public accounting firm, the Company's drafts of the annual audited financial statements and quarterly financial statements and related financial disclosure, including the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"); and discuss with Management earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- (5) To review and resolve any disagreements between Management and the independent registered public accounting firm regarding financial reporting and discuss with Management and the independent registered public accounting firm, as appropriate, any audit problems or difficulties and Management's response, and the Company's risk assessment and risk

management policies, including the Company's material financial and litigation risk exposure and steps taken by Management to monitor and mitigate such exposure.

- (6) To review the Company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application, and the key accounting decisions affecting the Company's financial statements, including alternatives to, and the rationale for, the decisions made.
- (7) To oversee the Internal Controls over Financial Reporting and Internal Audit programs, including to review the results of the Annual SOX Scoping Assessment and final summary of aggregate deficiencies. Review and discuss the adequacy and effectiveness of the Company's internal controls over financial reporting by obtaining regular reports from the internal auditor on the underlying process, progress of Management's testing and status of its audits and any findings or preliminary conclusions. The Committee shall review and discuss, at least annually, (i) with the Company's internal auditor, the internal auditor's responsibilities (whether regarding internal controls or any operational audits or process efficiency reviews that may be part of their work from time to time), budget and staffing, audit plans, and assessments of the effectiveness of the Company's internal control structure and procedures for financial reporting including: (a) all significant deficiencies or material weaknesses in the design or operation of internal controls; (b) any fraud, whether or not material, that involves Management or other employees having a significant role in the internal controls; and (c) all significant changes to internal controls, including corrective actions, since the last report to the Committee and (ii) with the independent registered public accounting firm its report on Management's assessment of the effectiveness of the Company's internal control structure and procedures.
- (8) To review, at least annually, the experience and qualifications of the senior members of the internal auditor and the quality control procedures of the internal auditor to assure completeness of coverage, reduction of redundant efforts and effective use of audit resources. The Committee shall review and advise and have final approval authority with respect to the appointment, replacement, or dismissal of the head of internal audit. The head of internal audit has direct reporting responsibility to the Committee.
- (9) To prepare and publish an annual Committee report in the Company's proxy statement.
- (10) To set policies for the hiring of employees or former employees of the Company's independent registered public accounting firm.

- (11) To review and recommend to the Board investment guidelines for assets held under the Company's Pension Plans and to review at least annually the financial performance of the Pension Plan portfolios.
- (12) To review and investigate any matters pertaining to the integrity of Management, including conflicts of interest, or adherence to standards of business conduct as required in the policies of the Company. This should include the establishment of procedures for receipt, retention, and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters (including confidential, anonymous submission by employees regarding questionable accounting or auditing matters), regular reviews of the compliance processes (including the reporting processes). In connection with these reviews, the Committee may meet, as it deems appropriate, with the general counsel and other Company officers and employees.
- (13) Review material changes to the accounting policy, and financial reporting practices and material developments in financial reporting standards brought to the attention of the Audit Committee by Management, internal audit or the external auditors.
- (14) Review and approve related party transactions, as defined in the SEC rules, and establish and oversee policies and procedures for the review, approval and ratification of the related party transactions.
- (15) Review and approve significant changes to the Code of Conduct that relate to Audit Committee matters.
- (16) Review the results of the Annual Fraud Risk Assessment.
- (17) To assist the Board with oversight of certain of the Company's risk exposures set forth below provided that the Board may, in its discretion, exercise direct oversight with respect to any such matters
  - A) Cybersecurity: to review with management the Company's cybersecurity risk exposures and related risk mitigation, specifically including management's cybersecurity risk assessment, incident response, and disclosure processes.
- (18) To review the Company's treasury management activities related to capital structure, liquidity, investment, financial instruments, debt, regulatory compliance, and related policies, specifically including hedging, share re-purchase program, dividends, cash re-patriation and other key transactions affecting the Company's financial statements, including alternatives to, and the rationale for, the decisions made.
- (19) To review the Company's current and planned hedging activities inclusive of hedging policies.

The Committee shall meet as often as it determines, but not less frequently than quarterly, and shall make reports of those meetings to the Board.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain outside legal, accounting, or other consultants to advise the Committee and shall, as appropriate, obtain advice and assistance from such advisors. The Company shall provide appropriate funding to the Committee, as determined by the Committee, for payment of (1) compensation to the independent registered public accounting firm for services approved by the Committee, (2) compensation to any outside advisors retained by the Committee, and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may request any officer or employee of the Company or the Company's outside counsel or independent registered public accounting firm to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Committee shall also meet with Management, the internal auditors, General Counsel, when applicable, and the independent registered public accounting firm in separate executive sessions at least once annually.

The Committee shall review and reassess the adequacy of this Charter annually and, upon the completion of each such review, shall recommend any proposed changes to the Board for approval.

The Committee shall annually evaluate its own performance and report to the Governance Committee the conclusions of the Committee resulting from such review.

#### **LIMITATION OF THE COMMITTEE'S ROLE**

The Audit Committee's job is one of oversight, and it recognizes that the Company's Management is responsible for preparing the Company's financial statements and that the independent registered public accounting firm is responsible for auditing those financial statements. The Audit Committee recognizes that the Company's Management (including the internal auditing staff) and the independent registered public accounting firm have more time, knowledge, and detailed information on the Company's financial statements than do the Audit Committee members.

Consequently, in carrying out its oversight responsibilities, the Audit Committee is not providing any additional or special assurance as to the Company's financial statements or any professional certification as to the independent registered public accounting firm's work.

## **WEBSITE**

This Charter shall be posted on the Company's website, and Quaker Houghton's annual report on Form 10-K shall state that a copy of this Charter is available on Quaker Houghton's website or in writing and that a copy of the same is also available to any shareholder who requests it.

Revised November 2024  
Reviewed November 2024