

Complaint

IN THE MATTER OF

**QUAKER CHEMICAL CORPORATION,
GLOBAL HOUGHTON LTD.,
GULF HOUGHTON LUBRICANTS LTD.,
AND
AMAS HOLDINGS SPF**

CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF SECTION 5 OF THE FEDERAL
TRADE COMMISSION ACT AND SECTIONS 7 AND 11 OF THE CLAYTON ACT

*Docket No. C-4681; File No. 171 0125
Complaint, July 23, 2019 – Decision, September 9, 2019*

This consent order addresses the \$172.5 million acquisition by Quaker Chemical Corporation of certain assets of Global Houghton LTD. The complaint alleges that the Transaction, if consummated, would violate Section 7 of the Clayton Act and that the asset purchase agreement constitutes a violation of Section 5 of the Federal Trade Commission Act by substantially lessening competition in the manufacture and sale of aluminum hot rolling oils (“AHRO”) and steel cold rolling oils (“SCRO”) in North America. The consent order requires Quaker to divest Houghton’s North American AHRO and SCRO product lines to Total S.A.

Participants

For the *Commission*: Steven Couper and Terry Thomas.

For the *Respondents*: Joanne Lewers, Drinker Biddle & Reath LLP; Scott Perlman, Mayer Brown LLP; Karen Kazmerzak and Timothy Muris, Sidley Austin LLP.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (“FTC Act”), and by virtue of the authority vested in it by said Act, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Quaker Chemical Corporation (“Quaker”) intends to acquire Global Houghton Ltd. (“Houghton”), in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and which, if the acquisition is consummated, may substantially lessen competition in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18, and Section 5 of the FTC Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint pursuant to Section 5(b) of the FTC Act, 15 U.S.C. § 45(b), and Section 11(b) of the Clayton Act, 15 U.S.C. § 21(b), stating its charges as follows:

I. RESPONDENTS

1. Respondent Quaker is a corporation organized, existing, and doing business under and by virtue of the laws of the Commonwealth of Pennsylvania with its executive offices and

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principal place of business located at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428-2380.

2. Respondent Houghton is a corporation organized, existing, and doing business under and by virtue of the laws of the Cayman Islands with its executive offices and principal place of business located at 945 Madison Avenue, Valley Forge, Pennsylvania 19403.

3. Respondent Gulf Houghton Lubricants Ltd. is a corporation organized, existing, and doing business under and by virtue of the laws of the Cayman Islands with its executive offices and principal place of business located at Whitehall House, 238 North Church St., P.O. Box 1043, George Town Grand Cayman, Cayman Islands, KY1-1102.

4. Respondent AMAS Holding Spf is a société de gestion de patrimoine familial, organized, existing, and doing business under and by virtue of the laws of the Grand Duchy of Luxembourg, with its executive offices and principal place of business located at 412F, Route d'Esch, L, 2086, Luxembourg City, Luxembourg.

II. JURISDICTION

5. Respondents, either directly or through corporate entities under their control, are, and at all relevant times have been, engaged in commerce or in activities affecting "commerce" as defined in Section 4 of the FTC Act, 15 U.S.C. § 44, and Section 1 of the Clayton Act, 15 U.S.C. § 12.

III. PROPOSED ACQUISITION

6. Pursuant to a Share Purchase Agreement dated April 4, 2017, Quaker proposes to acquire the voting securities of Houghton. Quaker will acquire all the voting securities of Houghton. Shareholders of Houghton will receive, in the aggregate, \$172.5 million of cash and newly issued shares of Quaker stock representing 24.5 percent ownership interest in Quaker. ("the Acquisition").

7. The Acquisition constitutes an acquisition subject to Section 7 of the Clayton Act, 15 U.S.C. § 18.

IV. THE RELEVANT MARKETS

8. A relevant product market in which to analyze the effects of the Acquisition is aluminum hot rolling oil ("AHRO") and associated technical support services. AHRO is used in the production of aluminum sheet. At an aluminum rolling mill, AHRO is applied directly to the metal as it passes through the mill's rollers, providing lubrication and protecting the metal. AHRO is necessary for the production of aluminum sheet. There is no viable or economic substitute for AHRO.

9. A relevant product market in which to analyze the effects of the Acquisition is steel cold rolling oil ("SCRO") and associated technical support services. SCRO includes (1)

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sheet cold rolling oil; (2) tin plate rolling oil (“TPRO”); and (3) pickle oil. SCRO is used in the production of steel sheet. At a steel rolling mill, SCRO is applied directly to the metal as it passes through the mill’s rollers, providing lubrication and protecting the metal. TPRO is a type of SCRO used for rolling steel to a thinner gauge with a narrower width. Pickle oil is a type of SCRO used by steel producers to prevent corrosion on steel sheet after it goes through an acid bath. SCRO is necessary for the production of steel sheet. There are no viable or economic substitutes for SCRO.

10. North America is the relevant geographic market for AHRO and associated technical support services. Customers typically receive AHRO shipments via tanker truck. Given the large volumes of AHRO required to run an aluminum mill, and the need for timely re-supply, shipping AHRO from outside North America is cost- and supply-prohibitive. Additionally, when AHRO issues arise at an aluminum mill, customers require on-site technical assistance as soon as possible to prevent an expensive delay in production.

11. North America is the relevant geographic market for SCRO and associated technical support services. Customers typically receive SCRO shipments via heated tanker truck. Given the large volumes of SCRO required to run a steel mill, and the need for timely re-supply, shipping SCRO from outside North America is cost- and supply-prohibitive. Additionally, the SCRO used in North America is often supplied via heated tanker truck because it will congeal under typical tanker truck conditions. When SCRO issues arise at a steel mill, customers require on-site technical assistance as soon as possible to prevent an expensive delay in production.

V. MARKET STRUCTURE

12. The market for the manufacture and sale of AHRO and provision of the associated technical support services in North America is highly concentrated.

13. Quaker and Houghton are the only two commercial suppliers of AHRO in North America.

14. The market for the manufacture and sale of SCRO and provision of the associated technical support services in North America is highly concentrated.

15. Quaker and Houghton are the two largest commercial suppliers of SCRO in North America. Smaller SCRO suppliers exist, but these suppliers do not possess the technical expertise or staff to replace competition lost as a result of this merger.

VI. ENTRY CONDITIONS

16. Entry, repositioning, or fringe firm growth would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects of the Acquisition. Switching to a new AHRO provider is an expensive process for customers and the testing can take up to 18 months.

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17. Entry, repositioning, or fringe firm growth would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects of the Acquisition. Switching to a new SCRO provider is an expensive process for customers and the testing can take more than 18 months.

VII. EFFECTS OF THE ACQUISITION

18. Absent relief, the Acquisition may substantially lessen competition by creating a monopoly in the market for AHRO and associated technical support services.

19. Absent relief, the Acquisition may substantially lessen competition in the SCRO market by increasing the likelihood that Quaker will unilaterally exercise market power in the market for SCRO and associated technical support services.

VIII. VIOLATIONS CHARGED

20. The Acquisition agreement constitutes an unfair method of competition in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45. The Acquisition, if consummated, may substantially lessen competition in the relevant market in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and is an unfair method of competition in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

IN WITNESS WHEREOF, the Federal Trade Commission, having caused this Complaint to be signed by the Secretary and its official seal affixed, at Washington, D.C., this twenty-third day of July, 2019, issues its complaint against Respondents.

By the Commission.

ORDER TO MAINTAIN ASSETS

The Federal Trade Commission (“Commission”) initiated an investigation of (i) the proposed acquisition by Quaker Chemical Corporation of the voting securities of Global Houghton Ltd., and (ii) the proposed acquisition of newly issued shares of Quaker Chemical Corporation stock by AMAS Holding Spf, the ultimate parent entity of Global Houghton Ltd. and Gulf Houghton Lubricants Ltd. (each a “Respondent,” and collectively “Respondents”). The Commission’s Bureau of Competition prepared and furnished to Respondents the Draft Complaint, which it proposed to present to the Commission for its consideration. If issued by the Commission, the Draft Complaint would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

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Respondents and the Bureau of Competition executed an agreement (“Agreement Containing Consent Orders” or “Consent Agreement”), containing (1) an admission by Respondents of all the jurisdictional facts set forth in the Draft Complaint; (2) a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in the Draft Complaint; or that the facts as alleged in the Draft Complaint, other than jurisdictional facts, are true, (3) waivers and other provisions as required by the Commission’s Rules; and (4) a proposed Decision and Order and this Order to Maintain Assets.

The Commission having thereafter considered the matter and having determined to accept the executed Consent Agreement and to place such Consent Agreement on the public record for a period of 30 days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings, and issues this Order to Maintain Assets:

1. Respondent Quaker Chemical Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the Commonwealth of Pennsylvania with its executive offices and principal place of business located at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428-2380.
2. Respondent Global Houghton Ltd. is a corporation organized, existing, and doing business under and by virtue of the laws of the Cayman Islands with its principal place of business located at Whitehall House, 238 North Church St., P.O. Box 1043, George Town Grand Cayman, Cayman Islands, KY1-1102, and its United States address for service of process of the Complaint, the Decision and Order, and the Order to Maintain Assets, as follows: Michael Baxter, Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103-2921.
3. Respondent Gulf Houghton Lubricants Ltd. is a corporation organized, existing, and doing business under and by virtue of the laws of the Cayman Islands with its executive offices and principal place of business located at Whitehall House, 238 North Church St., P.O. Box 1043, George Town Grand Cayman, Cayman Islands, KY1-1102, and its United States address for service of process of the Complaint, the Decision and Order, and the Order to Maintain Assets, as follows: Michael Baxter, Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103-2921.
4. Respondent AMAS Holding Spf is a *société de gestion de patrimoine familial*, organized, existing, and doing business under and by virtue of the laws of the Grand Duchy of Luxembourg, with its executive offices and principal place of business located at 412F, Route d’Esch, L, 2086, Luxembourg City, Luxembourg, and its United States address for service of process of the Complaint, the Decision and Order, and the Order to Maintain Assets, as follows: Michael Baxter,

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Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103-2921.

5. The Commission has jurisdiction over the subject matter of this proceeding and over the Respondents, and the proceeding is in the public interest.

ORDER**I.
Definitions**

IT IS HEREBY ORDERED that, as used in this Order to Maintain Assets, the following definitions and the definitions used in the Consent Agreement and the proposed Decision and Order (and when made final and effective, the Decision and Order), which are incorporated herein by reference and made a part hereof, shall apply:

- A. “Quaker” means: Quaker Chemical Corporation; its directors, officers, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates, controlled by Quaker Chemical Corporation, and the respective directors, officers, general partners, employees, agents, representatives, successors, and assigns of each.
- B. “Houghton” means: Global Houghton Ltd.; its directors, officers, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, divisions, partnerships, groups, and affiliates, controlled by Global Houghton Ltd., and the respective directors, officers, general partners, employees, agents, representatives, successors, and assigns of each.
- C. “Gulf Houghton” means: Gulf Houghton Lubricants Ltd., its directors, officers, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, divisions, partnerships, groups, and affiliates, controlled by Gulf Houghton Lubricants Ltd., and the respective directors, officers, general partners, employees, agents, representatives, successors, and assigns of each.
- D. “AMAS” means: AMAS Holding Spf, its directors, officers, members authorized to act on behalf of AMAS Holding Spf or manage AMAS Holding Spf, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, divisions, partnerships, groups, and affiliates, controlled by AMAS Holding Spf, and the respective directors, officers, general partners, employees, agents, representatives, successors, and assigns of each.
- E. “Commission” means the Federal Trade Commission.
- F. “Respondents” means Quaker, Houghton, Gulf Houghton, and AMAS, individually and collectively.

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- G. “Decision and Order” means the following:
1. Proposed Decision and Order contained in the Consent Agreement in this matter until the issuance of a final and effective Decision and Order by the Commission; and
 2. Final Decision and Order following its issuance and service by the Commission in this matter.
- H. “Monitor” means any monitor appointed pursuant to Paragraph III of this Order to Maintain Assets or Paragraph IX of the Decision and Order.
- I. “Orders” means the Decision and Order and this Order to Maintain Assets.

II.
Asset Maintenance

IT IS FURTHER ORDERED that from the date this Order to Maintain Assets becomes final and effective and until Respondents fully transfer and deliver all of the Divestiture Product Assets to an Acquirer in the manner as required by the Decision and Order:

- A. Respondents shall take such actions as are necessary to maintain the full economic viability, marketability, and competitiveness of the Divestiture Product Businesses, to minimize any risk of loss of competitive potential for such Divestiture Product Business, and to prevent the destruction, removal, wasting, deterioration, or impairment of the Divestiture Product Assets except for ordinary wear and tear. Respondents shall not sell, transfer, encumber, or otherwise impair the Divestiture Product Assets (other than in the manner prescribed in the Decision and Order), nor take any action that lessens the full economic viability, marketability, or competitiveness of the Divestiture Product Businesses.
- B. Respondents shall maintain the operations of the Divestiture Product Businesses in the regular and ordinary course of business and in accordance with past practice (including regular repair and maintenance of the assets of such business and as consistent with standard operating procedures to ensure professionalism, safety, and quality of any product or service offered by the business, to maintain all related manufacturing technology, to maintain compliance with all applicable Laws, and to maintain any licenses or approvals with any Government Entity) and/or as may be necessary to preserve the full economic viability, marketability, and competitiveness of such Divestiture Product Businesses, and shall use their best efforts to preserve the existing relationships with the following: customers; suppliers; licensors; licensees; advertisers; vendors and distributors; Government Entities; employees; and others having business relations with the Divestiture Product Businesses. Respondents’ responsibilities shall include, but are not limited to, the following:

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1. providing the Divestiture Product Businesses with sufficient working capital to operate at least at current rates of operation, to meet all capital calls with respect to such business and to carry on, at least at their scheduled pace, all capital projects, business plans, and promotional activities for the Divestiture Product Businesses;
 2. continuing, at least at their scheduled pace, any expenditures for the Divestiture Product Businesses authorized prior to the date the Consent Agreement was signed by the Respondents;
 3. providing such resources as may be necessary to respond to competition prior to the complete transfer and delivery of the Divestiture Product Assets to an Acquirer;
 4. providing such resources as may be necessary to maintain the competitive strength and positioning of the Divestiture Product Businesses;
 5. making available for use by the Divestiture Product Businesses funds sufficient to perform all routine maintenance and all other maintenance as may be necessary to, and all replacements of, the Divestiture Product Assets; and
 6. providing such support services to the Divestiture Product Businesses as were being provided to such Divestiture Product Businesses by Respondents as of the date the Consent Agreement was signed by Respondents.
- C. Respondents shall maintain a work force that is (i) at least as large (as measured in full time equivalents) as, and (ii) comparable in training, education, professionalism, and expertise to what has been associated with the Divestiture Product Businesses for the Divestiture Product Businesses' last fiscal year.
- D. Respondents shall:
1. not use, directly or indirectly, any Confidential Business Information other than as necessary to comply with the following:
 - a. the requirements of the Orders;
 - b. Respondents' obligations to the Acquirer under the terms of any related Divestiture Agreement; or
 - c. applicable Law;
 2. not disclose or convey any such Confidential Business Information, directly or indirectly, to any Person *except*:

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- a. the Acquirer;
- b. other Persons authorized by the Acquirer or staff of the Commission to receive such information;
- c. the Commission; or
- d. the Monitor; and

except to the extent necessary to comply with applicable Law;

- 3. not provide, disclose or otherwise make available, directly or indirectly, any Confidential Business Information to the employees associated with the business that is being retained, owned, or controlled by the Respondents, other than those employees directly involved in providing Contract Manufacturing or Transition Services to the Acquirer or who are engaged in the transfer and delivery of the Manufacturing Technology to the Acquirer and only for the purposes of providing such products, assistance, and information to the Acquirer;
- 4. institute procedures and requirements to ensure that the employees providing Contract Manufacturing or Transition Services to the Acquirer or who are engaged in the transfer and delivery of the Manufacturing Technology to the Acquirer:
 - a. do not provide, disclose or otherwise make available, directly or indirectly, any Confidential Business Information in contravention of the Orders; and
 - b. do not solicit, access or use any Confidential Business Information that they are prohibited from receiving for any reason or purpose; and
- 5. take all actions necessary and appropriate to prevent access to, and the disclosure or use of, the Confidential Business Information by or to any Person(s) not authorized to access, receive, and/or use such information pursuant to the terms of the Orders or the Divestiture Agreements, including:
 - a. establishing and maintaining appropriate firewalls, confidentiality protections, internal practices, training, communications, protocols, and system and network controls and restrictions;
 - b. to the extent practicable, maintaining Confidential Business Information separate from other data or information of the Respondents; and

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- c. ensuring by other reasonable and appropriate means that Confidential Business Information is not shared with Respondents' personnel engaged in the provision of the same or substantially the same type of Divestiture Product Businesses.

III.
Monitor

IT IS FURTHER ORDERED that:

- A. James B. Mynagh shall serve as the Monitor to observe and report on Respondents' compliance with all of Respondents' obligations as required by the Orders and the Divestiture Agreements.
- B. Not later than one (1) day after the Acquisition Date, Respondents shall confer on the Monitor all rights, powers, and authorities necessary to monitor each Respondent's compliance with the terms of the Orders.
- C. Respondents shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of the Monitor:
 - 1. The Monitor shall have the power and authority to monitor each Respondent's compliance with the divestiture and asset maintenance obligations and related requirements of the Orders, and shall exercise such power and authority and carry out the duties and responsibilities of the Monitor in a manner consistent with the purposes of the Orders and in consultation with the Commission;
 - 2. The Monitor shall act in consultation with the Commission or its staff, and shall serve as an independent third party and not as an employee or agent of the Respondents or of the Commission; and
 - 3. The Monitor shall serve until Respondents complete the following in a manner required by the Decision and Order:
 - a. the transfer and delivery of all of the Divestiture Product Assets to the Acquirer;
 - b. the transfer and delivery of all of the Manufacturing Technology to the Acquirer;
 - c. the transfer and delivery of all Confidential Business Information to the Acquirer; and
 - d. the provision of all Transition Services to the Acquirer.

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- D. Subject to any demonstrated legally recognized privilege, the Monitor shall have full and complete access to each Respondent's personnel, books, documents, records kept in the ordinary course of business, facilities, and technical information, and such other relevant information as the Monitor may reasonably request, related to that Respondent's compliance with its obligations under the Orders.
- E. Each Respondent shall cooperate with any reasonable request of the Monitor and shall take no action to interfere with or impede the Monitor's ability to monitor that Respondent's compliance with the Orders.
- F. The Monitor shall serve, without bond or other security, at the expense of Respondents, on such reasonable and customary terms and conditions as the Commission may set. The Monitor shall have authority to employ, at the expense of Respondents, such consultants (including information technology experts), accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Monitor's duties and responsibilities.
- G. Respondents shall indemnify the Monitor and hold the Monitor harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Monitor's duties, including all reasonable fees of counsel and other reasonable expenses incurred in connection with the preparations for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from gross negligence, willful or wanton acts, or bad faith by the Monitor.
- H. Respondents shall report to the Monitor in accordance with the requirements of the Orders and as otherwise provided in any agreement approved by the Commission. The Monitor shall evaluate the reports submitted to the Monitor by a Respondent, and any reports submitted by the Acquirer with respect to the performance of a Respondent's obligations under the Orders. Within thirty (30) days after the date this Order to Maintain Assets is issued and every thirty (30) days thereafter, and at such other times as may be requested by staff of the Commission, the Monitor shall report in writing to the Commission concerning performance by the Respondents of the Respondents' obligations under the Orders. After the Decision and Order becomes final, the Monitor shall report to the Commission as described in Paragraph IX.H of the Decision and Order.
- I. Respondents may require the Monitor and each of the Monitor's consultants, accountants, attorneys, and other representatives and assistants to sign a customary confidentiality agreement; *provided, however*, that such agreement shall not restrict the Monitor from providing any information to the Commission.
- J. The Commission, among other things, may require the Monitor and each of the Monitor's consultants, accountants, attorneys, and other representatives and assistants to sign an appropriate confidentiality agreement related to Commission

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materials and information received in connection with the performance of the Monitor's duties.

- K. If the Commission determines that the Monitor has ceased to act or failed to act diligently, the Commission may appoint a substitute Monitor in the following manner:
1. the Commission shall select the substitute Monitor, subject to the consent of Respondent Quaker, which consent shall not be unreasonably withheld;
 2. if Respondent Quaker has not opposed, in writing, including the reasons for opposing, the selection of a proposed Monitor within ten (10) days after notice by the staff of the Commission to Respondent Quaker of the identity of any proposed Monitor, Respondents shall be deemed to have consented to the selection of the proposed Monitor;
 3. not later than ten (10) days after the Commission's appointment of the substitute Monitor, Respondents shall execute an agreement that, subject to the prior approval of the Commission, confers on that Monitor all the rights, powers, and authorities necessary to permit that Monitor to monitor each Respondent's compliance with the Orders in a manner consistent with the purposes of the Orders.
- L. The Commission may on its own initiative, or at the request of the Monitor, issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of the Orders.
- M. The Monitor appointed pursuant to this Order to Maintain Assets may be the same Person appointed as the Monitor pursuant to the Decision and Order.
- N. The Monitor appointed pursuant to this Order to Maintain Assets may be the same Person appointed as a Divestiture Trustee pursuant to the relevant provisions of the Decision and Order.

IV.**Compliance Reports**

IT IS FURTHER ORDERED that:

- A. Within thirty (30) days after the date this Order to Maintain Assets is issued by the Commission, and every ninety (90) days thereafter until Respondents have fully complied with this Order to Maintain Assets, Respondents shall submit to the Commission a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with the Orders ("Compliance Reports").

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- B. Each Compliance Report shall contain sufficient information and documentation to enable the Commission independently to determine whether Respondents are in compliance with the Orders. Conclusory statements that Respondents have complied with their obligations under the Orders are insufficient. Respondents shall include in their Compliance Reports, among other things that are required from time to time, a full description of the efforts being made to comply with the Orders, including:
1. a detailed description of all substantive contacts, negotiations, or recommendations related to (i) the transfer and delivery of all of the Divestiture Product Assets to the Acquirer, (ii) the transfer and delivery of all of the Manufacturing Technology to the Acquirer, (iii) the transfer and delivery of all Confidential Business Information to the Acquirer; (iv) the provision of Transition Services to the Acquirer; and
 2. a detailed description of the timing for the completion of such obligations.
- C. Respondents shall verify each Compliance Report in the manner set forth in 28 U.S.C. § 1746 by the Chief Executive Officer or other officer or employee specifically authorized to perform this function. Respondents shall submit an original and 2 copies of each Compliance Report as required by Commission Rule 2.41(a), 16 C.F.R. § 2.41(a), including a paper original submitted to the Secretary of the Commission and electronic copies to the Secretary at ElectronicFilings@ftc.gov and to the Compliance Division at bccompliance@ftc.gov. In addition, Respondents shall provide a copy of each Compliance Report to the Monitor.
- D. After the Decision and Order in this matter becomes final and effective, the reports due under this Order to Maintain Assets may be consolidated with, and submitted to the Commission on the same timing as, the Compliance Reports required to be submitted by Respondents pursuant to the Decision and Order.

V.

Change in Respondents

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least thirty (30) days prior to:

- A. any proposed dissolution of: Quaker Chemical Corporation; Global Houghton Ltd.; Gulf Houghton Lubricants Ltd.; or AMAS Holding Spf;
- B. any proposed acquisition, merger, or consolidation of: Quaker Chemical Corporation; Global Houghton Ltd.; Gulf Houghton Lubricants Ltd.; or AMAS Holding Spf; or

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- C. any other change in a Respondent including assignment and the creation or dissolution of subsidiaries, if such change might affect compliance obligations arising out of the Orders.

VI.
Access

IT IS FURTHER ORDERED that, for purposes of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and upon five (5) days' notice to a Respondent made to its principal place of business as identified in the Orders, registered office of its United States subsidiary, or its headquarters address, the notified Respondent shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. access, during business office hours of that Respondent and in the presence of counsel, to all facilities and access to inspect and copy all business and other records and all documentary material and electronically stored information as defined in Commission Rules 2.7(a)(1) and (2), 16 C.F.R. § 2.7(a)(1) and (2), in the possession or under the control of that Respondent related to compliance with this Order, which copying services shall be provided by that Respondent at the request of the authorized representative(s) of the Commission and at the expense of that Respondent; and
- B. to interview officers, directors, or employees of that Respondent, who may have counsel present, regarding such matters.

VII.
Purpose

IT IS FURTHER ORDERED that the purpose of this Order to Maintain Assets is to maintain the full economic viability, marketability and competitiveness of the Divestiture Product Businesses through its full transfer and delivery to an Acquirer; to minimize any risk of loss of competitive potential for the Divestiture Product Businesses; and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Divestiture Product Assets except for ordinary wear and tear.

VIII.
Term

IT IS FURTHER ORDERED that this Order to Maintain Assets shall terminate on the later of:

- A. three (3) days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34; or

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- B. the day after all of the Divestiture Product Assets and Manufacturing Technology have been transferred to and are in the physical possession of the Acquirer, as required by and described in the Decision and Order; or
- C. the day the Commission otherwise directs that this Order to Maintain Assets is terminated.

By the Commission.

DECISION

The Federal Trade Commission (“Commission”) initiated an investigation of (i) the proposed acquisition by Quaker Chemical Corporation of the voting securities of Global Houghton Ltd., and (ii) the proposed acquisition of newly issued shares of Quaker Chemical Corporation stock by AMAS Holding Spf, the ultimate parent entity of Global Houghton Ltd. and Gulf Houghton Lubricants Ltd. (each a “Respondent,” and collectively “Respondents”). The Commission’s Bureau of Competition prepared and furnished to Respondents the Draft Complaint, which it proposed to present to the Commission for its consideration. If issued by the Commission, the Draft Complaint, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

Respondents and the Bureau of Competition executed an agreement (“Agreement Containing Consent Orders” or “Consent Agreement”), containing (1) an admission by Respondents of all the jurisdictional facts set forth in the Draft Complaint; (2) a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in the Draft Complaint, or that the facts as alleged in the Draft Complaint, other than jurisdictional facts, are true; (3) waivers and other provisions as required by the Commission’s Rules; and (4) a proposed Decision and Order and an Order to Maintain Assets; and

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the said Acts, and that a complaint should issue stating its charges in that respect. The Commission accepted the Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments; at the same time, it issued and served its Complaint and Order to Maintain Assets. Now, in further conformity with the procedure described in Rule 2.34, the Commission makes the following jurisdictional findings and issues the following Decision and Order (“Order”):

1. Respondent Quaker Chemical Corporation is a corporation organized, existing, and doing business under and by virtue of the laws of the Commonwealth of

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Pennsylvania with its executive offices and principal place of business located at One Quaker Park, 901 E. Hector Street, Conshohocken, Pennsylvania 19428-2380.

2. Respondent Global Houghton Ltd. is a corporation organized, existing, and doing business under and by virtue of the laws of the Cayman Islands with its principal place of business located at Whitehall House, 238 North Church St., P.O. Box 1043, George Town Grand Cayman, Cayman Islands, KY1-1102, and its United States address for service of process of the Complaint, the Decision and Order, and the Order to Maintain Assets, as follows: Michael Baxter, Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103-2921.
3. Respondent Gulf Houghton Lubricants Ltd. is a corporation organized, existing, and doing business under and by virtue of the laws of the Cayman Islands with its executive offices and principal place of business located at Whitehall House, 238 North Church St., P.O. Box 1043, George Town Grand Cayman, Cayman Islands, KY1-1102, and its United States address for service of process of the Complaint, the Decision and Order, and the Order to Maintain Assets, as follows: Michael Baxter, Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103-2921.
4. Respondent AMAS Holding Spf is a *société de gestion de patrimoine familial*, organized, existing, and doing business under and by virtue of the laws of the Grand Duchy of Luxembourg, with its executive offices and principal place of business located at 412F, Route d'Esch, L, 2086, Luxembourg City, Luxembourg, and its United States address for service of process of the Complaint, the Decision and Order, and the Order to Maintain Assets, as follows: Michael Baxter, Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, Pennsylvania 19103-2921.
5. The Commission has jurisdiction over the subject matter of this proceeding and over the Respondents, and the proceeding is in the public interest.

ORDER**I. Definitions**

IT IS HEREBY ORDERED that, as used in the Orders, the following definitions shall apply:

- A. "Quaker" means: Quaker Chemical Corporation; its directors, officers, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, partnerships, divisions, groups, and affiliates, controlled by Quaker Chemical Corporation, and the respective directors, officers, general partners, employees, agents, representatives, successors, and assigns of each. After the Acquisition, Quaker shall include Houghton.

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- B. “Houghton” means: Global Houghton Ltd.; its directors, officers, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, divisions, partnerships, groups, and affiliates, controlled by Global Houghton Ltd., and the respective directors, officers, general partners, employees, agents, representatives, successors, and assigns of each.
- C. “Gulf Houghton” means: Gulf Houghton Lubricants Ltd., its directors, officers, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, divisions, partnerships, groups, and affiliates, controlled by Gulf Houghton Lubricants Ltd., and the respective directors, officers, general partners, employees, agents, representatives, successors, and assigns of each.
- D. “AMAS” means: AMAS Holding Spf, its directors, officers, members authorized to act on behalf of AMAS Holding Spf or manage AMAS Holding Spf, employees, agents, representatives, successors, and assigns; and the joint ventures, subsidiaries, divisions, partnerships, groups, and affiliates, controlled by AMAS Holding Spf, and the respective directors, officers, general partners, employees, agents, representatives, successors, and assigns of each.
- E. “Commission” means the Federal Trade Commission.
- F. “Respondents” means Quaker, Houghton, Gulf Houghton, and AMAS, individually and collectively.
- G. “Acquirer(s)” means the following:
 - 1. Total; or
 - 2. any other Person approved by the Commission to acquire the Divestiture Product Assets pursuant to this Order.
- H. “Acquisition” means Quaker’s acquisition of Houghton pursuant to the Acquisition Agreement.
- I. “Acquisition Agreement” means the *Share Purchase Agreement* dated as of April 4, 2017, by and among Global Houghton Ltd., Quaker Chemical Corporation, Gulf Houghton Lubricants Ltd., The Other Sellers Party Hereto, and Gulf Houghton Lubricants Ltd., as Seller’s Representative. The Acquisition Agreement is contained in Non-Public Appendix I.
- J. “Acquisition Date” means the earlier of the following: (i) the date on which Quaker acquires any Ownership Interest in Houghton; or (ii) the date on which AMAS or Gulf Houghton acquires any Ownership Interest in Quaker.
- K. “Agency(ies)” means any government regulatory authority or authorities in the world responsible for granting approval(s), clearance(s), qualification(s),

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license(s), or permit(s) for any aspect of the research, Development, manufacture, marketing, distribution, or sale of a Divestiture Product.

- L. “AHRO Product Assets” means all rights, title, and interest in and to all assets related to the Business of Houghton related to AHROs, to the extent the transfer is permitted by Law, including the Categorized Assets related to the AHROs which also include the following:
1. NOA Patent;
 2. the following Trademarks or tradenames: Tandemol®; NOA; NOA ARC; Rodshield; and NOALUBRIC.
- M. “AHRO(s)” or “Aluminum Hot Rolling Oils” means all Oil Products manufactured, Developed, in Development, marketed, or sold that are used to reduce friction and to prevent metal-to-metal contact between the surfaces of the mill rollers and the aluminum in the Hot Rolling Process of the aluminum. “Aluminum Hot Rolling Oils” include all such Oil Products manufactured, Developed, in Development, marketed, or sold that are used to reduce friction and to prevent metal-to-metal contact between the surfaces of the mill rollers and the aluminum in the Hot Rolling Process of the aluminum at any width or gauge sheet and for any further processing (*e.g.*, printing or coating) or any end-use.
- N. “Business” means the research, Development, manufacture, commercialization, distribution, marketing, importation, exportation, advertisement, and sale of a product.
- O. “Business Information” means all originals and all copies of any operating, financial, or other information, books, records, documents, data computer files (including files stored on a computer hard drive or other storage media), electronic files, ledgers, papers, instruments, and other materials, wherever located and however stored (*i.e.*, whether stored or maintained in traditional paper format or by means of electronic, optical, or magnetic media or devices, photographic or video images, or any other format or media).
- P. “Categorized Assets” means all rights, title, and interest in and to all assets related to the Business of the specified Divestiture Product(s), including the research, Development, manufacture, distribution, marketing, and sale of such Divestiture Product(s), including:
1. all Product Intellectual Property;
 2. all Product Approvals;
 3. at the Acquirer’s option, Manufacturing Equipment;

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4. all Manufacturing Technology;
5. all Marketing Materials;
6. all Quality and Safety Reports;
7. all Research and Development Reports;
8. all Website(s);
9. the content related exclusively to a Divestiture Product that is displayed on any Website that is not dedicated exclusively to the Divestiture Product;
10. at the option of the Acquirer, all Product Contracts;
11. for each Divestiture Product:
 - a. a list of all Customers for each Divestiture Product and a listing of the net sales (in either units or dollars) of that Divestiture Product to such Customers during the one (1) year period immediately prior to the Divestiture Date, stated on either an annual, quarterly, or monthly basis, including (i) the name of the Customer's employee(s) for each Customer that is or has been responsible for the purchase of the product on behalf of the Customer and that employees business contact information and (ii) the name of Customer's employees at each mill that is or has been the primary contact person at the mill related to the use of the product;
 - b. a list for each formulation of each Divestiture Product containing the following: (i) the net price per formulation of the Divestiture Date, *i.e.*, the final price per unit charged by the Respondents net of all customer-level discounts, rebates, or promotions; (ii) the net price per unit charged by the Respondents at the end of each quarter during the one (1) year immediately prior to the Divestiture Date; and (iii) any supply outages by unit during the one (1) year period immediately prior to the Divestiture Date; and
 - c. backorders as of the Divestiture Date;
12. for each Divestiture Product, a list of all suppliers of inputs to the Divestiture Product;
13. a description of any disruptions during the three (3) year period immediately prior to the Divestiture Date in the supply of any inputs to any Divestiture Product, for each such disruption: (i) a description of the input(s); (ii) name of the supplier(s); (iii) the length of time of the

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disruption; and (iv) the corrective actions taken to remediate the disruption;

14. to the extent available, a list of each Divestiture Product that has had any finished product determined to be out-of-specification during the three (3) year period immediately preceding the Divestiture Date, and, for each such Divestiture Product: (i) a description of the deficiencies; and (ii) the corrective actions taken to remediate the deficiencies in the Divestiture Product;
15. at the option of the Acquirer, all inventory in existence as of the Divestiture Date including raw materials, packaging materials, work-in-process, and finished goods related to the Divestiture Products;
16. the quantity and delivery terms in all unfilled Customer purchase orders for each Divestiture Product as of the Divestiture Date, to be provided to the Acquirer not later than five (5) days after the Divestiture Date;
17. at the option of the Acquirer, the right to fill any or all unfilled Customer purchase orders for each Divestiture Product as of the Divestiture Date; and
18. all of the Respondents' Business Information directly related to the foregoing;

provided, however, that "Divestiture Product Assets" shall not include: (i) documents relating to a Respondent's general business strategies or practices relating to the conduct of its Business outside of the Divestiture Products, where such documents do not discuss with particularity a Divestiture Product; and (ii) information that is exclusively related to the Retained Products;

provided further, however, that in cases in which documents or other materials included in the Divestiture Product Assets contain information: (i) that relates both to a Divestiture Product and to Retained Products or Businesses of a Respondent and cannot be segregated in a manner that preserves the usefulness of the information as it relates to the Divestiture Product; or (ii) for which any Respondent has a legal obligation to retain the original copies, that Respondent shall be required to provide only copies or relevant excerpts of the documents and materials containing this information. In instances where such copies are provided to the Acquirer, the Respondents shall provide the Acquirer access to original documents under circumstances where copies of documents are insufficient for evidentiary or regulatory purposes. The purpose of this provision is to ensure that the Respondents provide the Acquirer with the above-described information without requiring a Respondent completely to divest information that, in content, also relates to Retained Product(s).

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- Q. “Cold Rolling” means the Rolling of metal at a temperature below its recrystallization temperature.
- R. “Compatible Hydraulic Fluids-Aluminum” mean all hydraulic fluids that are composed of the same raw materials as the AHRO fluids manufactured, Developed, in Development, marketed, or sold that are used in the equipment used to roll Aluminum in the Hot Rolling Process.
- S. “Compatible Hydraulic Fluids-Aluminum Assets” means all rights, title, and interest in and to all assets related to the Business of Houghton related to each of the Compatible Hydraulic Fluids-Aluminum, to the extent the transfer is permitted by Law, including the Categorized Assets related to the Compatible Hydraulic Fluids-Aluminum.
- T. “Confidential Business Information” means all information owned by, or in the possession or control of, a Respondent that is not in the public domain and that is directly related to the conduct of the Business related to a Divestiture Product(s). The term “Confidential Business Information” *excludes* the following:
1. information relating to a Respondent’s general business strategies or practices that does not discuss with particularity the Divestiture Products;
 2. information that is contained in documents, records, or books of a Respondent that is provided to an Acquirer by a Respondent that is unrelated to the Divestiture Products or that is exclusively related to Retained Product(s); and
 3. information that is protected by the attorney work product, attorney-client, joint defense, or other privilege prepared in connection with the Acquisition and relating to any United States, state, or foreign antitrust or competition Laws.
- U. “Contract Manufacture” means the following:
1. to manufacture, or to cause to be manufactured, a Contract Manufacture Product on behalf of an Acquirer (including for the purposes of testing or qualification and/or commercial sales); or
 2. to provide, or to cause to be provided, any part of the manufacturing process or shipping/transportation process including the blending, dispensing into containers, and shipping/transporting of a Contract Manufacture Product on behalf of an Acquirer.
- V. “Contract Manufacture Product(s)” means the Divestiture Products, individually and collectively, and any ingredient, material, or component used in the manufacture of the foregoing products including the packaging/containers.

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- W. “Copyrights” means rights to all original works of authorship of any kind directly related to a Divestiture Product and any registrations and applications for registrations thereof within the Geographic Territory.
- X. “Customer(s)” means any Person that is a direct purchaser or end-user of any Divestiture Product in the Geographic Territory.
- Y. “Development” means all research and development activities, including the following: design (including customized design for a particular Customer(s)); formulation (customized formulation(s) for particular Customers or mills); process development; manufacturing scale-up; development-stage manufacturing; quality assurance/quality control development; statistical analysis and report writing; lubrication and dispersion properties testing; performance testing; safety testing; and qualification testing for the purpose of obtaining or achieving any and all Product Approvals. “Develop” means to engage in Development.
- Z. “Direct Cost” means a cost not to exceed the cost of labor, material, travel, and other expenditures to the extent the costs are directly incurred to provide the relevant assistance or service. “Direct Cost” to the Acquirer for its use of any of a Respondent’s employees’ labor shall not exceed the average hourly wage rate for such employee.
- AA. “Divestiture Agreement(s)” means the following:
1. *Asset Purchase Agreement* by and among Quaker Chemical Corporation, Global Houghton Ltd., and Total Marketing Services, dated as of March 25, 2019;
 2. *Transition Service Agreement* by and between Total Marketing Services and Quaker Chemical Corporation to be executed on or before the Divestiture Date;
 3. *Patent Assignment Agreement* by and between Houghton Technical Corp. and Total Marketing Services to be executed on or before the Divestiture Date;
 4. *Trademark Assignment Agreements* by and between Houghton Technical Corp. and Total Marketing Services to be executed on or before the Divestiture Date;
 5. *Partial Assignment and Assumption Agreement* by and among Houghton Technical Corp., Total Marketing Services, and Henkel US Operations Corporation;

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6. all amendments, exhibits, attachments, and schedules attached to and submitted to the Commission with the foregoing listed agreements, other than the *License Agreement*; and
7. any other agreement between a Respondent and an Acquirer (or between a Divestiture Trustee and an Acquirer) that has been approved by the Commission to accomplish the requirements of this Order.

The Divestiture Agreements that have been submitted to the Commission by the Respondents prior to the Order Date are contained in Non-Public Appendix II.

BB. “Divestiture Date” means the date on which a Respondent (or a Divestiture Trustee) closes on the sale of the Divestiture Product Assets to an Acquirer.

CC. “Divestiture Product(s)” means all of the following products manufactured, Developed, in Development, marketed, sold, owned, or controlled by Houghton:

1. Aluminum Hot Rolling Oils;
2. Compatible Hydraulic Fluids-Aluminum;
3. Pickle Oils;
4. Steel Cold Rolling Oils; and
5. Steel Cleaners.

DD. “Divestiture Product Asset(s)” means the following, individually and collectively:

1. Aluminum Hot Rolling Oil Assets;
2. Compatible Hydraulic Fluids-Aluminum Assets;
3. Pickle Oil Assets;
4. Steel Cold Rolling Oil Assets; and
5. Steel Cleaner Assets.

EE. “Divestiture Product Core Employees” means:

1. the Sales and Marketing Employees related to each Divestiture Product;
2. the Research and Development Employees related to each Divestiture Product;
3. the Manufacturing Employees related to each Divestiture Product; and

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4. the Essential Employees.
- FF. “Divestiture Product Business(es)” means the Business related to the Divestiture Product(s).
- GG. “Divestiture Product License” means a perpetual, non-exclusive, fully paid-up, and royalty-free license(s) under a Divestiture Agreement with rights to sublicense to all Manufacturing Technology related to general manufacturing know-how that was owned, licensed, held, or controlled by a Respondent:
1. to research and Develop each Divestiture Product(s) and any ingredient, material, or component used in the manufacture of the Divestiture Product(s) for marketing, distribution, or sale within the Geographic Territory;
 2. to use, make, have made, distribute, offer for sale, promote, advertise, or sell each Divestiture Product(s) and any ingredient, material, or component used in the manufacture of the Divestiture Product(s) within the Geographic Territory;
 3. to import or export each Divestiture Product(s) and any ingredient, material, or component used in the manufacture of the Divestiture Product(s) to or from the Geographic Territory to the extent related to the marketing, distribution, or sale of the Divestiture Products in the Geographic Territory; and
 4. to have the Divestiture Product(s) and any ingredient, material, or component used in the manufacture of the Divestiture Product(s) made anywhere in the world for distribution or sale within, or import into the Geographic Territory;
- provided, however*, that for any Manufacturing Technology that is the subject of a license from a Third Party entered into by a Respondent prior to the Acquisition, the scope of the rights granted hereunder shall only be required to be equal to the scope of the rights granted by the Third Party to that Respondent and rights to any modifications made by the Respondents.
- HH. “Divestiture Trustee” means the trustee appointed by the Commission pursuant to Paragraph X of this Decision and Order.
- II. “Domain Name” means the domain name(s) (uniform resource locators), and registration(s) thereof, issued by any Person or authority that issues and maintains the domain name registration; *provided, however*, “Domain Name” shall not include any trademark or service mark rights to such domain names other than the rights to the Trademarks required to be divested.

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- JJ. “Essential Employees” means any Person listed in Non-Public Appendix III attached to this Order.
- KK. “Geographic Territory” means the following:
1. United States of America;
 2. Canada; and
 3. United Mexican States.
- LL. “Government Entity” means any Federal, state, local, or non-U.S. government; any court, legislature, government agency, government department, or government commission; or any judicial or regulatory authority of any government.
- MM. “Hot Rolling Process” means the Rolling of metal at a temperature above its recrystallization temperature.
- NN. “Law(s)” means all laws, statutes, rules, regulations, ordinances, and other pronouncements by any Government Entity having the effect of law.
- OO. “Manufacturing Employees” means all employees of a Respondent that have directly participated within the two (2) year period immediately prior to the Divestiture Date in any of the following related to a Divestiture Product:
1. defining the commercial manufacturing process;
 2. confirming that the manufacturing process is capable of reproducible commercial manufacturing;
 3. formulating the manufacturing process performance qualification protocol;
 4. controlling the manufacturing process to assure performance product quality;
 5. assuring that during routine manufacturing the process remains in a state of control;
 6. collecting and evaluating data for the purposes of providing scientific evidence that the manufacturing process is capable of consistently delivering quality products;
 7. managing the operation of the manufacturing process;
 8. defining packaging and materials handling procedures; or

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9. managing the technological transfer of the manufacturing process from a facility to a different facility, of the Manufacturing Technology of a Divestiture Product;

unless such participation consisted solely of oversight of legal, accounting, tax, or financial compliance.

PP. “Manufacturing Equipment” means all fixtures, equipment (including technical equipment and computers), and machinery that is being used or has been used at any time since the Respondents entered into the Acquisition Agreement, in the research, Development, or manufacture of a Divestiture Product and that is suitable for use in the research, Development, or manufacture of a Divestiture Product as of the Divestiture Date.

QQ. “Manufacturing Technology” means all technology, Trade Secrets, know-how, designs, formulas, ideas, concepts, and proprietary information (whether patented, patentable, or otherwise) used by Respondents to manufacture each Divestiture Product, including:

1. all product specifications, product formulation, and formulation protocols, including the exact formulation, combination, design, array and identity and specifications of all components or ingredients (*e.g.*, synthetic ester oils) that achieve a particular set of application and end-use characteristics in a final Divestiture Product;
2. manufacturing processes, analytical methods, flow diagrams, instructions, and other related manuals and drawings;
3. standard operating procedures;
4. quality assurance and control procedures, and quality manuals;
5. quality system documentation;
6. Customer quality surveys;
7. Customer quality certifications;
8. control history;
9. corrective actions stemming from Customer complaints;
10. non-conformance audits on products or processes used to manufacture products;
11. research and Development records;

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12. annual product reviews;
 13. supplier lists;
 14. labeling and product manuals;
 15. manuals and technical information provided to employees, Customers, distributors, suppliers, agents, licensees, including manufacturing, equipment and engineering manuals and drawings;
 16. repair and performance records related to the Manufacturing Equipment being acquired by the Acquirer for the two (2) year period immediately preceding the Divestiture Date;
 17. records related to the protective workplace safety standards related to the Manufacturing Equipment being acquired by the Acquirer for the two (2) year period immediately preceding the Divestiture Date;
 18. audits of manufacturing methods for the Divestiture Products conducted by any Agency, end-use Customer, or any Standards and Certification Organization; and
 19. all other information related to the manufacturing process.
- RR. “Marketing Materials” means all marketing materials used specifically in the marketing or sale of each Divestiture Product in the Geographic Territory as of the Divestiture Date, including all quality system documentation used for Customer presentations, advertising materials, training materials, product data, mailing lists, sales materials (*e.g.*, sales reports, sales funnel or process information, and sales data), marketing information (*e.g.*, competitor information, research data, market intelligence reports, and statistical programs (if any) used for marketing and sales research), Customer information (including Customer net purchase information to be provided on the basis of either dollars and/or units for each month, quarter, or year), sales forecasting models, educational materials, and advertising and display materials, speaker lists, promotional and marketing materials to be provided to distributors and/or end-use Customer (*e.g.* specification sheets, application/use instructions, and technical specifications), Website content and advertising and display materials, artwork for the production of packaging components, television masters, and other similar materials related to each Divestiture Product.
- SS. “Monitor” means any monitor appointed pursuant to Paragraph IX of this Decision and Order or Paragraph III of the Order to Maintain Assets.
- TT. “NOA Patent” means U.S. Patent No. 6,818,609, including all reissues, additions, divisions, continuations, continuations-in-part, supplementary protection

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certificates, extensions and reexaminations thereof, all inventions disclosed therein, and all rights therein provided by international treaties and conventions.

- UU. “Oil Product(s)” means any product that has a lubricant base of any of the following: petroleum and petroleum derivatives (including mineral oils), natural oils, animal fats and other derivatives, vegetable oils, or synthetic ester oils.
- VV. “Order Date” means the date on which the final Decision and Order in this matter is issued by the Commission.
- WW. “Order to Maintain Assets” means the Order to Maintain Assets incorporated into and made a part of the Agreement Containing Consent Orders.
- XX. “Orders” means this Decision and Order and the related Order to Maintain Assets.
- YY. “Ownership Interest” means any voting securities, non-voting securities, share capital, non-corporate equity interest, notes convertible into any voting or non-voting securities, contractual power to designate a director of an entity, equity, or other interest in an entity or its assets.
- ZZ. “Patent(s)” means all patents and patent applications, including provisional patent applications, invention disclosures, certificates of invention and applications for certificates of invention, and statutory invention registrations, in each case filed, or in existence, on or before the Divestiture Date (*except* where this Order specifies a different time), and includes all reissues, additions, divisions, continuations, continuations-in-part, supplementary protection certificates, extensions and reexaminations thereof, all inventions disclosed therein, and all rights therein provided by international treaties and conventions.
- AAA. “Person” means any individual, partnership, joint venture, firm, corporation, association, trust, unincorporated organization, or other business or Government Entity, and any subsidiaries, divisions, groups, or affiliates thereof.
- BBB. “Pickle Oil(s)” means all Oil Products manufactured, Developed, in Development, marketed, or sold to protect the surface of sheet steel during or after the steel has undergone the pickling process (*i.e.*, the surface treatment process that usually uses an acidic solution to remove impurities, such as stains, inorganic contaminants, rust or scale from sheet steel).
- CCC. “Pickle Oil Product Assets” means all rights, title, and interest in and to all assets related to the Business of Houghton related to Pickle Oils, to the extent the transfer is permitted by Law, including the Categorized Assets related to the Pickle Oils which includes the following Trademarks and tradenames: Rolkleen®.

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DDD. “Product Approval(s)” means all approvals, specifications, certifications, registrations, permits, licenses, consents, authorizations, and other approvals, and pending applications and requests therefor related to the research, Development, manufacture, distribution, finishing, packaging, marketing, sale, storage, or transport of a Divestiture required by:

1. any Customer; and/or
2. any Agency, Standards and Certification Organization, engineering firm, chemical firm, or procurement firm, as applicable.

EEE. “Product Contracts” means all contracts or agreements between a Respondent and a Third Party:

1. that make specific reference to a Divestiture Product and pursuant to which any Third Party is obligated to purchase, or has the option to purchase without further negotiation of terms, that Divestiture Product from a Respondent;
2. pursuant to which a Respondent had or has as of the Divestiture Date the ability to independently purchase the raw materials, inputs, ingredients, or component(s), or had planned to purchase the raw materials, inputs, ingredients, or component(s) from any Third Party, for use in connection with the manufacture of a Divestiture Product;
3. pursuant to which a Third Party manufactures or plans to manufacture a Divestiture Product in order to provide it to a Respondent;
4. pursuant to which a Third Party manufactures or plans to manufacture an input, ingredient or component of a Divestiture Product in order to provide it to a Respondent;
5. pursuant to which a Third Party markets, sells, or distributes a Divestiture Product;
6. pursuant to which a Third Party provides or plans to provide any part of the manufacturing process, including the mixing or packaging of a Divestiture Product;
7. pursuant to which a Third Party provides the Manufacturing Technology related to a Divestiture Product to a Respondent;
8. pursuant to which a Third Party is licensed by a Respondent to use the Manufacturing Technology related to the Divestiture Product;
9. constituting confidentiality agreements related to a Divestiture Product;

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10. involving any royalty, licensing, covenant not to sue, or similar arrangement related to a Divestiture Product;
11. pursuant to which a Third Party provides any specialized services necessary to the research, Development, manufacture, or distribution of a Divestiture Product to a Respondent, including consultation arrangements; and/or
12. pursuant to which any Third Party collaborates with a Respondent in the performance of research, Development, marketing, distribution, or selling of a Divestiture Product;
13. pursuant to which a Respondent licenses Software related to the Business of the Divestiture Products;

provided, however, that where any such contract or agreement also relates to a Retained Product(s), a Respondent shall, at the Acquirer's option, assign or otherwise make available to the Acquirer all such rights under the contract or agreement as are related to the Divestiture Product, but concurrently may retain similar rights for the purposes of the Retained Product(s).

FFF. "Product Employee Information" means the following, for each Divestiture Product Core Employee, as and to the extent permitted by Law:

1. a complete and accurate list containing the name of each Divestiture Product Core Employee (including former employees who were employed by a Respondent within ninety (90) days prior to the execution date of any Divestiture Agreement); and
2. with respect to each such employee, the following information:
 - a. direct contact information for the employee, including telephone number;
 - b. the date of hire and effective service date;
 - c. job title or position held;
 - d. a specific description of the employee's responsibilities related to the relevant Divestiture Product; *provided, however*, in lieu of this description, a Respondent may provide the employee's most recent performance appraisal;
 - e. the base salary or current wages;

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- f. the most recent bonus paid, aggregate annual compensation for the relevant Respondent's last fiscal year, and current target or guaranteed bonus, if any;
 - g. employment status (*i.e.*, active or on leave or disability; full-time or part-time);
 - h. all other material terms and conditions of employment in regard to such employee that are not otherwise generally available to similarly situated employees; and
- 3. at the Acquirer's option or the Proposed Acquirer's option (as applicable), copies of all employee benefit plans and summary plan descriptions (if any) applicable to the relevant employees.

GGG. "Product Intellectual Property" means all of the following intellectual property that is used in the Business of any Divestiture Product that is owned, licensed, held, or controlled by a Respondent as of the Divestiture Date:

- 1. Patents;
- 2. Copyrights;
- 3. Software;
- 4. Trademarks;
- 5. Trade Dress;
- 6. Trade Secrets, know-how, techniques, data, inventions, practices, methods, formulations, and other confidential or proprietary technical, business, research, Development information; and
- 7. rights to obtain and file for patents, trademarks, and copyrights and registrations thereof, and to bring suit against a Third Party for the past, present, or future infringement, misappropriation, dilution, misuse, or other violation of any of the foregoing;

provided, however, that "Product Intellectual Property" does not include the corporate names or corporate trade dress of "Quaker", "Houghton", or "Gulf Houghton" or the related corporate logos thereof, as well as the mark "Houghto Roll"; or the corporate names or corporate trade dress of any other corporations or companies owned or controlled by a Respondent or the related corporate logos thereof; or general registered images or symbols by which Quaker, Houghton, or Gulf Houghton can be identified or defined.

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HHH. “Proposed Acquirer” means a Person proposed by a Respondent (or a Divestiture Trustee) to the Commission and submitted for the approval of the Commission to become an acquirer for particular assets or rights required to be assigned, granted, licensed, divested, transferred, delivered, or otherwise conveyed pursuant to this Order.

III. “Quality and Safety Reports” means:

1. descriptions of material events and matters concerning safety related to a Divestiture Product;
2. reports to the Environmental Protection Agency related to a Divestiture Product;
3. summary of product complaints from end-use customers related to a Divestiture Product;
4. product recall reports filed with any Agency or any Standards and Certification Organization related to a Divestiture Product, and all reports, studies, and other documents related to such recalls;
5. investigation reports and other documents related to any out-of-specification results found in a Divestiture Product;
6. reports related to a Divestiture Product from any consultant or outside contractor engaged to investigate or perform testing for the purposes of resolving any product or process issues;
7. reports of vendors of the inputs used to produce a Divestiture Product that relate to the specifications and testing of the production of a Divestiture Product;
8. analytical methods development records related to a Divestiture Product; and
9. manufacturing records related to a Divestiture Product.

JJJ. “Research and Development Employees” means all salaried employees of a Respondent who have directly participated in the research or Development of a Divestiture Product (unless such participation consisted solely of oversight of legal, accounting, tax, or financial compliance) including engineers, technical specialists, or chemists involved in new product development, chemical composition or formulation, design of Software that is used in the Development, manufacture, or use of the Divestiture Product, and Product Approvals within the three (3) year period immediately prior to the Divestiture Date.

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KKK. “Research and Development Reports” means all research and Development records relating to the Divestiture Products including:

1. inventory of research and development records, research history, research efforts, research notebooks, research reports, technical service reports, testing methods, invention disclosures, and know-how related to the Divestiture Products;
2. all correspondence with any Agency or Standards and Certification Organizations relating to applications for Product Approvals;
3. all correspondence with Customers relating to Product Approvals;
4. all underlying information, data filings, reports, correspondence or other materials used to obtain or apply for any of the Product Approvals, including, all data submitted to and all correspondence with Customers or any other Person;
5. annual and periodic reports related to the Product Approvals;
6. product labeling or documents provided to Customers; and
7. product usage, product application (*i.e.*, how the product is applied to metal), product installation/dispersal instructions, and technical specifications.

LLL. “Retained Product(s)” means any product(s) other than a Divestiture Product.

MMM. “Rolling” means the process of passing metal stock through one or more pair of mill rollers in order to reduce the thickness of the metal sheet or slab and to make the thickness uniform, or to form a new structure.

NNN. “Sales and Marketing Employees” means all employees of a Respondent who have participated in the sales, marketing, or on-site mill technical support of a Divestiture Product to customers within the two (2) year period immediately prior to the Divestiture Date.

OOO. “Software” means computer programs related to the Business of Respondents, including all software implementations of algorithms, models, and methodologies whether in source code or object code form, databases, and compilations, including any and all data and collections of data, all documentation, including user manuals and training materials, related to any of the foregoing and the content and information contained on any Website; *provided, however*, that “Software” does not include software that is readily purchasable or licensable from sources other than the Respondents and which has not been modified in a

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manner material to the use or function thereof (other than user preference settings).

- PPP. “Standards and Certification Organization(s)” means any non-governmental Person that provides audits and certifications of management systems and/or manufacturing processes or product assessments and certifications related to the Divestiture Products (*e.g.*, ASTM International).
- QQQ. “Steel Cleaner(s)” means all products that are cleaners manufactured, Developed, in Development, marketed, or sold to remove rolling lubricant residues from steel.
- RRR. “Steel Cleaner Assets” means all rights, title, and interest in and to all assets related to the Business of Houghton related to Steel Cleaners, to the extent the transfer is permitted by Law, including the Categorized Assets related to the Steel Cleaners which also include the following:
1. The following Trademarks or tradenames: Rolkleen®; Mill Clean®; Strip-Kleen®; Cerfa-Kleen®; and,
 2. all rights related to Steel Cleaners granted to Houghton and/or Gulf Houghton pursuant to the Steel Cleaner Henkel License.
- SSS. “Steel Cleaner Henkel License” means the *License Agreement* by and between Henkel Corporation and Houghton Technical Corp dated as of March 31, 2014. This license is attached as Annex A to the *Partial Assignment and Assumption Agreement* by and among Houghton Technical Corp., Total Marketing Services, and Henkel US Operations Corporation. The *Partial Assignment and Assumption Agreement* is attached as Exhibit G to the *Asset Purchase Agreement* by and among Quaker Chemical Corporation, Global Houghton Ltd., and Total Marketing Services, dated as of March 25, 2019 in Non-Public Appendix I attached to this Order.
- TTT. “Steel Cold Rolling Oil(s)” means all Oil Products manufactured, Developed, in Development, marketed, or sold that are used to reduce friction and to prevent metal-to-metal contact between the surfaces of the mill rollers and the steel in the Cold Rolling Process of the steel. “Steel Cold Rolling Oils” include all such Oil Products manufactured, Developed, in Development, marketed, or sold that are used to reduce friction and to prevent metal-to-metal contact between the surfaces of the mill rollers and the steel in the Cold Rolling Process of the steel at any width or gauge sheet and for any further processing (*e.g.*, tinplating or coating with another substance, *e.g.*, zinc, aluminum, or paint) and for any end-use (*e.g.*, can bodies, can ends, and other closures for food and beverages, household appliances, such as washers and dryers, automobile or truck parts, or building and construction products).

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- UUU. “Steel Cold Rolling Oil Assets” means all rights, title, and interest in and to all assets related to the Business of Houghton related to each of the Steel Cold Rolling Oils, to the extent the transfer is permitted by Law, including the Categorized Assets related to the Steel Cold Rolling Oils which also include the following Trademarks or tradenames: Fenella®; Tempershield®; Rollshield®; Rollub®; and Steelshield.
- VVV. “Supply Cost” means the actual cost of materials, packaging, direct labor, and direct overhead *excluding* any allocation or absorption of costs for excess or idle capacity, and *excluding* any intracompany transfer profits *plus* the actual cost of shipping and transportation where those costs are incurred by the Respondents.
- WWW. “Technical Support” means all capabilities to provide customer-specific technical expertise, modification of products, customizing of products, testing of products, product performance advice, equipment assessment, on-site product assistance, monitoring of inventory levels and product orders/deliveries, and general product issue-solving and trouble-shooting.
- XXX. “Technology Transfer Standards” means requirements and standards sufficient to ensure that the information and assets required to be delivered to an Acquirer pursuant to this Order are delivered in an organized, comprehensive, complete, useful, timely (*i.e.*, ensuring no unreasonable delays in transmission), and meaningful manner. Such standards and requirements shall include, *inter alia*:
1. designating employees of a Respondent knowledgeable about the Manufacturing Technology (and all related intellectual property) related to each of the Divestiture Products who will be responsible for communicating directly with the Acquirer, and the Monitor (if one has been appointed), for the purpose of effecting such delivery *unless* such Persons are hired by the Acquirer;
 2. preparing technology transfer protocols and transfer acceptance criteria for both the processes and analytical methods related to the specified Divestiture Product that are acceptable to the Acquirer;
 3. preparing and implementing a detailed technological transfer plan that contains, *inter alia*, the transfer of all relevant information, all appropriate documentation, all other materials, and projected time lines for the delivery of all such Manufacturing Technology (including all related intellectual property) to the Acquirer; and
 4. to the extent the Persons with the relevant knowledge remain employees of a Respondent (*e.g.*, are not hired by the Acquirer), providing, in a timely manner, assistance and advice to enable the Acquirer to:

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- a. manufacture the specified Divestiture Product and any ingredients, *e.g.*, synthetic ester oils, or components of the Divestiture Product that have been or are being made by a Respondent in the quality and quantities achieved by that Respondent;
- b. obtain any Product Approvals necessary for the Acquirer to manufacture, distribute, market, and sell each Divestiture Product in commercial quantities and to meet the requirements of all Product Approvals for such Divestiture Product; and
- c. receive, integrate, and use all such Manufacturing Technology and all such intellectual property related to each Divestiture Product.

YYY. “Third Party(ies)” means any non-governmental Person other than the following: a Respondent; or an Acquirer of particular assets or rights pursuant to this Order.

ZZZ. “Total” means Total S.A., a corporation (*société anonyme*) with its principal executive offices located at 2, place Jean Millier, La Défense 6, 92400 Courbevoie, France, and any Person controlled by or under common control of Total S.A., including Total Marketing Services S.A.

AAAA. “Trade Dress” means the current trade dress of a Divestiture Product, including packaging and the lettering of the product trade name or brand name.

BBBB. “Trade Secret(s)” means information, including a formula, pattern, compilation, program, device, method, technique, or process that: derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, others who can obtain economic value from its disclosure or use (*e.g.*, competitors); and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

CCCC. “Trademark(s)” means all proprietary names or designations, trademarks, service marks, trade names, and brand names, including registrations and applications for registration therefor (and all renewals, modifications, and extensions thereof), and all common law rights, and the goodwill symbolized thereby and associated therewith, for a product.

DDDD. “Transition Services” means the provision of Technical Support by the Respondents.

EEEE. “United States of America” means the United States of America, and its territories, districts, commonwealths and possessions.

FFFF. “Website” means the content of the Website(s) located at the Domain Names, the Domain Names, and all Copyrights in such Website(s), to the extent owned by a Respondent; *provided, however*, “Website” shall not include the following: (1)

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content owned by Third Parties and other Product Intellectual Property not owned by a Respondent that are incorporated in such Website(s), such as stock photographs used in the Website(s), *except* to the extent that a Respondent can convey its rights, if any, therein; or (2) content unrelated to any of the Divestiture Products.

II. Divestiture**IT IS FURTHER ORDERED** that:

- A. Not later than ten (10) days after the Acquisition Date, Respondents shall divest the Divestiture Product Assets and grant the Divestiture Product License, absolutely and in good faith, to Total pursuant to, and in accordance with, the Divestiture Agreements.
- B. If Respondents divest the Divestiture Product Assets to Total prior to the Order Date, and if, at the time the Commission determines to make this Order final and effective, the Commission notifies Respondents that:
 - 1. Total is not an acceptable purchaser of any of the Divestiture Product Assets, then Respondents shall immediately rescind the transaction with Total, in whole or in part, as directed by the Commission, and shall divest the Divestiture Product Assets within one hundred eighty (180) days after the Order Date, absolutely and in good faith, at no minimum price, to an Acquirer that receives the prior approval of the Commission, and only in a manner that receives the prior approval of the Commission;
 - 2. the manner in which the divestiture was accomplished is not acceptable, the Commission may direct Respondents, or appoint a Divestiture Trustee, to effect such modifications to the manner of divestiture of the Divestiture Product Assets to Total (including entering into additional agreements or arrangements) as the Commission may determine are necessary to satisfy the requirements of this Order.
- C. Prior to the Divestiture Date, Respondents shall provide the Acquirer with the opportunity to review all contracts or agreements that are Product Contracts for the purposes of the Acquirer's determination whether to assume such contracts or agreements.
- D. Prior to the Divestiture Date, Respondents shall secure all consents and waivers from all Third Parties that are necessary to permit Respondents to divest the Divestiture Product Assets to the Acquirer, and to permit the Acquirer to continue the Business of the Divestiture Products;

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provided, however, Respondents may satisfy this requirement by certifying that the Acquirer has executed all such agreements directly with each of the relevant Third Parties.

E. Respondents shall provide, or cause to be provided, to the Acquirer in a manner consistent with the Technology Transfer Standards the following:

1. all Manufacturing Technology (including all related intellectual property); and
2. all rights to all Manufacturing Technology (including all related intellectual property) that is owned by a Third Party and licensed to a Respondent.

Respondents shall obtain any consents from Third Parties required to comply with this provision. Respondents shall not enforce any agreement against a Third Party or an Acquirer to the extent that such agreement may limit or otherwise impair the ability of the Acquirer to use or to acquire from the Third Party the Manufacturing Technology (including all related intellectual property). Such agreements include, but are not limited to, agreements with respect to the disclosure of Confidential Business Information related to such Manufacturing Technology. Not later than ten (10) days after the Divestiture Date, Respondents shall grant a release to each Third Party that is subject to such agreements that allows the Third Party to provide the relevant Manufacturing Technology to the Acquirer. Within five (5) days of the execution of each such release, Respondents shall provide a copy of the release to the Acquirer.

F. After the Divestiture Date, Respondents shall not, in the Geographic Territory:

1. use any of the Trademarks related to Divestiture Products or any mark confusingly similar to the Trademarks as a trademark, tradename, or service mark *except* (i) as may be necessary to sell stocks of Divestiture Products in existence as of the Acquisition Date that are not being acquired by the Acquirer or to comply with the Contract Manufacture requirements of this Order, or (ii) as permitted under any license entered into by Respondents pursuant to Paragraph II.N;
2. attempt to register the Trademarks;
3. attempt to register any mark confusingly similar to the Trademarks;
4. challenge or interfere with an Acquirer's use and registration of the Trademarks; or

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5. challenge or interfere with an Acquirer's efforts to enforce its trademark registrations for and trademark rights in the relevant Trademarks against Third Parties.
- G. After the Divestiture Date, Respondents shall not, in the Geographic Territory, market or sell to, or manufacture for, any Person other than the Acquirer any Aluminum Hot Rolling Oils, Steel Cold Rolling Oils, Compatible Hydraulic Fluids-Aluminum, Pickle Oils, or Steel Cleaners that are the same formulation or substantially the same formulation as the Divestiture Products *except* that for a transition period beginning immediately after the Divestiture Date, Respondents may manufacture such products within the Geographic Territory solely for delivery to, and use at, customer locations outside the Geographic Territory and only in circumstances wherein Houghton manufactured such products within the Geographic Territory and supplied such products to these customer locations outside the Geographic Territory as of the Divestiture Date. Such transition period:
1. is conditioned on (i) Respondents providing a notification to the Acquirer and the Monitor on a quarterly basis that includes, for each delivery of the product to the customer, the customer's name, volume(s) of the product(s), and delivery location, and (ii) Respondents notifying these customers in writing that the products supplied under these circumstances may not be used within, or imported into, the Geographic Territory;
 2. shall terminate on the earlier of (i) two years after the Divestiture Date, or (ii) the date the Respondents complete their requirements to Contract Manufacture pursuant to this Order; and
 3. may only be extended with the prior approval of the Commission *except* as otherwise provided in Rule 2.41(f)(5) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(5).
- H. This Order does not restrict the Respondents' use of the formulations of the Divestiture Products to make, have made, use, sell, offer for sale, any product outside of the Geographic Territory, but only if such product is made and delivered outside the Geographic Territory and is only for use by the purchasers of such product outside the Geographic Territory and not for import into the Geographic Territory.
- I. Respondents shall treat all formulations of the Divestiture Products as Trade Secret information owned by the Acquirer and shall institute all such procedures as are necessary and appropriate to protect this Trade Secret information.
- J. Upon reasonable written notice and request from an Acquirer to Respondents, Respondents shall provide, in a timely manner, at no greater than Direct Cost, assistance of knowledgeable employees of Respondents to assist the Acquirer to

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defend against, respond to, or otherwise participate in any litigation brought by a Third Party related to the Product Intellectual Property related to any of the Divestiture Product(s), if such litigation would have the potential to interfere with the Acquirer's freedom to practice the following: (i) the research, Development, or manufacture anywhere in the world of the Divestiture Product(s) for the purposes of marketing, sale, or offer for sale within the Geographic Territory of such Divestiture Product(s); or (ii) the import, export from one country within the Geographic Territory to another country within the Geographic Territory, use, supply, distribution, sale, or offer for sale of the Divestiture Product(s) into, from, or within the Geographic Territory.

- K. Respondents shall not join, file, prosecute, or maintain any suit, in law or equity, against the Acquirer, its licensees, or its Customers under any Patent that was pending or issued on or before the Acquisition Date if such suit would directly limit or impair the Acquirer's freedom to manufacture any Divestiture Product anywhere in the world, or to distribute, market, sell, or offer for sale any Divestiture Product within the Geographic Territory.
- L. For any patent infringement suit filed prior to the Divestiture Date in which a Respondent is alleged to have infringed a Patent of a Third Party or any potential patent infringement suit from a Third Party that a Respondent has prepared or is preparing to defend against as of the Divestiture Date, and where such a suit would have the potential directly to limit or interfere with the Acquirer's freedom to practice the following: (i) the research, Development, or manufacture anywhere in the world of the Divestiture Product(s) acquired for the purposes of marketing, sale, or offer for sale within the Geographic Territory of such Divestiture Product(s); or (ii) the import, export, use, supply, distribution, sale, or offer for sale of the Divestiture Product(s) into, from, or within the Geographic Territory, that Respondent shall:
 - 1. cooperate with the Acquirer and provide any and all necessary technical and legal assistance, documentation, and witnesses from that Respondent in connection with obtaining resolution of any pending patent litigation related to that Divestiture Product;
 - 2. waive conflicts of interest, if any, to allow that Respondent's outside legal counsel to represent the Acquirer in any ongoing patent litigation related to that Divestiture Product; and
 - 3. permit the transfer to the Acquirer of all of the litigation files and any related attorney work product in the possession of that Respondent's outside counsel related to that Divestiture Product.
- M. Subject to the prior approval of the Commission, Respondents may enter into a license from the Acquirer to make, have made, use, sell, offer for sale, any product that practices any claim of the NOA Patent, but such license shall:

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1. be limited to:
 - a. products to be offered for sale or sold by the Respondents within or outside the Geographic Territory that are within the following fields-of-use: (i) copper rod, copper wire, or other copper metalworking; (ii) brass rod, brass wire, or other brass metalworking; and (iii) aluminum rod or aluminum wire; or
 - b. products to be offered for sale or sold by the Respondents outside the Geographic Territory for delivery outside the Geographic Territory and not for import into, or use within, the Geographic Territory;
 2. be non-exclusive;
 3. require that any sublicense by the Respondents be subject to the prior approval of the Acquirer;
 4. not be modified or amended without the prior approval of the Commission, *except* as otherwise provided in Rule 2.41(f)(5) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(5).
- N. Subject to the prior approval of the Commission, and solely for the purposes of products that are either (i) to be offered for sale or sold by the Respondents outside the Geographic Territory or (ii) to be offered for sale or sold by the Respondents within the Geographic Territory that are not a Divestiture Product and do not compete with a Divestiture Product, the Respondents may enter into a license from the Acquirer for a period of up to two (2) years after the Order Date to use certain Trademarks or tradenames divested to the Acquirer pursuant to this Order. Such agreement may not be modified or amended without the prior approval of the Commission, *except* as otherwise provided in Rule 2.41(f)(5) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(5).

III. Divestiture Agreements

IT IS FURTHER ORDERED that:

- A. Any Divestiture Agreement shall be deemed incorporated into this Order.
- B. Any failure by a Respondent to comply with any term of such Divestiture Agreement shall constitute a failure to comply with this Order.
- C. Respondents shall include in each Divestiture Agreement related to each of the Divestiture Products a specific reference to this Order, the remedial purposes thereof, and provisions to reflect the full scope and breadth of each Respondent's obligation to the Acquirer pursuant to this Order.

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- D. No Respondent shall seek, directly or indirectly, pursuant to any dispute resolution mechanism incorporated in any Divestiture Agreement, or in any agreement related to any of the Divestiture Products, a decision the result of which would be inconsistent with the terms of this Order or the remedial purposes thereof.
- E. No Respondent shall modify or amend any of the terms of any Divestiture Agreement without the prior approval of the Commission, except as otherwise provided in Rule 2.41(f)(5) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(5). Notwithstanding any term of the Divestiture Agreement(s), any modification or amendment of any Divestiture Agreement made without the prior approval of the Commission, or as otherwise provided in Rule 2.41(f)(5), shall constitute a failure to comply with this Order.

IV. Contract Manufacturing by Respondents

IT IS FURTHER ORDERED that Respondents shall:

- A. Contract Manufacture and deliver, or cause to be manufactured and delivered, to the Acquirer, in a timely manner and under reasonable terms and conditions, a supply of each of the Contract Manufacture Products requested by the Acquirer at no greater than Supply Cost, for a period of time sufficient to allow the Acquirer (or the Manufacturing Designee of the Acquirer) to: (i) obtain all of the relevant Product Approvals necessary to manufacture the Contract Manufacture Product(s), (ii) manufacture such products in commercial quantities independently of Respondents, and (iii) secure sources of supply of the specialized ingredients and necessary components from Persons other than Respondents;
- B. Make representations and warranties to the Acquirer that the Contract Manufacture Product(s) supplied by Respondents pursuant to a Divestiture Agreement meet the relevant Product Approvals;
- C. For the Contract Manufacture Product(s) to be marketed or sold in the Geographic Territory, agree to indemnify, defend, and hold the Acquirer harmless from any and all suits, claims, actions, demands, liabilities, expenses, or losses alleged to result from the failure of the Contract Manufacture Product(s) supplied to the Acquirer pursuant to a Divestiture Agreement by that Respondent to meet the relevant Product Approvals. This obligation may be made contingent upon the Acquirer giving Respondents prompt written notice of such claim and cooperating fully in the defense of such claim;

provided, however, that the supplying Respondent may reserve the right to control the defense of any such claim, including the right to settle the claim, so long as such settlement is consistent with the supplying Respondent's responsibilities to supply the Contract Manufacture Products in the manner required by this Order;

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provided further, however, that this obligation shall not require such Respondent to be liable for any negligent act or omission of the Acquirer or for any representations and warranties, express or implied, made by the Acquirer that exceed the representations and warranties made by the supplying Respondent to the Acquirer in an agreement to Contract Manufacture;

- D. Give priority to supplying a Contract Manufacture Product to the Acquirer over manufacturing and supplying of products for Respondents' own use or sale;
- E. Agree to hold harmless and indemnify the Acquirer for any liabilities or loss of profits resulting from the failure of the Contract Manufacture Products to be delivered in a timely manner *unless* (i) Respondents can demonstrate that the failure was beyond the control of Respondents and in no part the result of negligence or willful misconduct by Respondents, and (ii) Respondents are able to cure the supply failure not later than thirty (30) days after the receipt of notice from the Acquirer of a supply failure;
- F. During the term of any agreement to Contract Manufacture, upon written request of the Acquirer or the Monitor, make available to the Acquirer and the Monitor all records that relate directly to the manufacture of the relevant Contract Manufacture Products that are generated or created after the Divestiture Date;
- G. For each Contract Manufacturer Product for which Respondents purchase the ingredient(s) or component(s) from a Third Party, provide the Acquirer with the actual price paid by Respondents for each ingredient(s) or component(s), respectively, used to manufacture that Contract Manufacture Product;
- H. For each Contract Manufacturer Product for which the Respondents are the source of the ingredient(s) or component(s), charge the Acquirer a price no greater than the Respondents' actual cost for such ingredient(s) or component(s) and shall exclude any intracompany transfer profit in calculating the total price for the final finished Contract Manufacture Product to the Acquirer;
- I. During the term of any agreement to Contract Manufacture, take all actions as are reasonably necessary to ensure an uninterrupted supply of the Contract Manufacture Product(s);
- J. Provide access to all information and facilities, and make such arrangements with Third Parties, as are necessary to allow the Monitor to monitor compliance with the obligations to Contract Manufacture;
- K. Not be entitled to terminate any agreement to Contract Manufacture due to an Acquirer filing a petition in bankruptcy, or entering into an agreement with its creditors, or applying for or consenting to appointment of a receiver or trustee, or making an assignment for the benefit of creditors, or becoming subject to involuntary proceedings under any bankruptcy or insolvency Law;

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- L. Notify the Commission at least sixty (60) days prior to terminating any agreement with an Acquirer to Contract Manufacture for any reason, and shall submit at the same time a copy of such notice to the Monitor; and
- M. During the term of any agreement to Contract Manufacture, provide consultation with knowledgeable employees of Respondents and training, at the written request of the Acquirer and at a facility chosen by the Acquirer, for the purposes of enabling the Acquirer (or the Manufacturing Designee of the Acquirer) to obtain all Product Approvals to manufacture the Contract Manufacture Products in the same quality achieved by, or on behalf of, a Respondent and in commercial quantities, and in a manner consistent with the Product Approvals, independently of Respondents and sufficient to satisfy management of the Acquirer that its personnel (or the Manufacturing Designee's personnel) are adequately trained in the manufacture of the Contract Manufacture Products;
- N. The foregoing requirements for Respondents to Contract Manufacture shall remain in effect with respect to each Contract Manufacture Product until the earliest of:
 - 1. the date the Acquirer notifies Commission staff in writing that it (or the Manufacturing Designee(s) of the Acquirer) has been qualified by all Customers to manufacture such Contract Manufacture Product for sale in the Geographic Territory and is able to manufacture such Contract Manufacture Product in commercial quantities, in a manner consistent with the quality achieved by the Respondents, independently of Respondents; or
 - 2. the date the Commission otherwise directs that these requirements to Contract Manufacture are no longer in effect.

V. Transition Services

IT IS FURTHER ORDERED that Respondents shall:

- A. Upon written request of the Acquirer, provide Transition Services to the Acquirer in a timely manner and under reasonable terms and conditions at no greater than Direct Cost for a period of time sufficient to allow the Acquirer to obtain all of the relevant Product Approvals necessary to manufacture and sell commercial quantities of the finished Divestiture Products independently of Respondents;
- B. Designate employees of Respondents knowledgeable about the Technical Support to advise and provide such services to the Acquirer;
- C. During the term of any agreement with the Acquirer to provide Transition Services and pursuant to such agreement and this Order:

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1. take all actions as are reasonably necessary to ensure that the provision of Transition Services to the Acquirer are uninterrupted;
2. not limit damages (such as indirect, special, and consequential damages) that the Acquirer would be entitled to receive in the event of Respondents' breach of such agreement;
3. not be entitled to terminate such agreement due to the Acquirer filing a petition in bankruptcy, or entering into an agreement with its creditors, or applying for or consenting to appointment of a receiver or trustee, or making an assignment for the benefit of its creditors, or becoming subject to involuntary proceedings under any bankruptcy or insolvency Law;
4. permit the Acquirer to terminate such agreement at any time upon commercially reasonable notice and without cost or penalty; and
5. upon the Acquirer's request, file with the Commission a written request to extend the time period for any such agreement.

VI. Employees

IT IS FURTHER ORDERED that Respondents shall:

- A. For a period of two (2) years after the Divestiture Date, provide the Acquirer with the opportunity to enter into employment contracts with the Divestiture Product Core Employees. Each of these periods is hereinafter referred to as the "Divestiture Product Core Employee Access Period(s)";
- B. Not later than the earlier of the following dates: (i) ten (10) days after notice by staff of the Commission to the relevant Respondent to provide the Product Employee Information; or (ii) ten (10) days after written request by an Acquirer, provide the Acquirer or Proposed Acquirer(s) with the Product Employee Information related to the Divestiture Product Core Employees. Failure by that Respondent to provide the Product Employee Information for any Divestiture Product Core Employee within the time provided herein shall extend the Divestiture Product Core Employee Access Period(s) with respect to that employee in an amount equal to the delay;

provided, however, that the provision of such information may be conditioned upon the Acquirer's or Proposed Acquirer's written confirmation that it will (i) treat the information as confidential and, more specifically, (ii) use the information solely in connection with considering whether to provide, or providing to Divestiture Product Core Employees the opportunity to enter into employment contracts during the Divestiture Product Core Employee Access Period, and (iii) restrict access to the information to such of the Acquirer's or

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Proposed Acquirer's employees who need such access in connection with the specified and permitted use;

- C. During the Divestiture Product Core Employee Access Period(s), not interfere with the hiring or employing by the Acquirer of the Divestiture Product Core Employees and remove any impediments within the control of a Respondent that may deter these employees from accepting employment with the Acquirer, including any noncompete or nondisclosure provision of employment with respect to a Divestiture Product or other contracts with a Respondent that would affect the ability or incentive of those individuals to be employed by the Acquirer. In addition, a Respondent shall not make any counteroffer to any Divestiture Product Core Employee who has received a written offer of employment from the Acquirer;

provided, however, that, subject to the conditions of continued employment prescribed in this Order, this Paragraph shall not prohibit a Respondent from continuing to employ any Divestiture Product Core Employee under the terms of that employee's employment with a Respondent prior to the date of the written offer of employment from the Acquirer to that employee;

- D. Until the Divestiture Date, provide all Divestiture Product Core Employees with reasonable financial incentives to continue in their positions and to research, Develop, manufacture, market and/or sell the Divestiture Product(s) consistent with past practices and/or as may be necessary to preserve the marketability, viability, and competitiveness of the Divestiture Product Businesses and to ensure successful execution of the pre-Acquisition plans for the Divestiture Product(s). Such incentives shall include a continuation of all employee compensation and benefits offered by a Respondent until the Divestiture Date(s) for the divestiture of the Divestiture Product Assets has occurred, including regularly scheduled raises, bonuses, and vesting of pension benefits (as permitted by Law);

provided, however, that this Paragraph does not require, nor shall be construed to require, a Respondent to terminate the employment of any employee or to prevent a Respondent from continuing to employ the Divestiture Product Core Employees in connection with the Acquisition;

- E. For a period of one (1) year after the Divestiture Date, not: (i) directly or indirectly solicit or otherwise attempt to induce any employee of the Acquirer with any amount of responsibility related to a Divestiture Product ("Divestiture Product Employee") to terminate his or her employment relationship with the Acquirer; or (ii) hire any Divestiture Product Employee;

provided, however, this Order does not prohibit a Respondent from hiring any former Divestiture Product Employee whose employment has been terminated by the Acquirer or who independently applies for employment with that Respondent,

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as long as that employee was not solicited in violation of the nonsolicitation requirements contained within this Order;

provided further, however, this Order allows a Respondent to do the following: (i) advertise for employees in newspapers, trade publications, or other media not targeted specifically at the Divestiture Product Employees; or (ii) hire a Divestiture Product Employee who contacts a Respondent on his or her own initiative without any direct or indirect solicitation or encouragement from that Respondent.

- F. From the Divestiture Date until the date that is two (2) years after the Divestiture Date, Respondents shall not:
1. market or sell any Retained Products that compete with any Divestiture Product using the services of any Essential Employee;
 2. permit any Essential Employee to participate, directly or indirectly, in the direction, planning, management, or advisement of the Respondents' Business related to the Retained Products that compete with any Divestiture Product; or
 3. permit any Essential Employee to provide, disclose, or otherwise make available, directly or indirectly, any current or historical marketing or sales plans, negotiation histories with customers, product Development, or other Confidential Business Information related to any Divestiture Product to any employee of the Respondents that has any responsibilities related to the marketing, management, or sales of any Retained Product that compete with a Divestiture Products.
- G. Respondents shall not enforce, or seek to enforce, any restrictions on the work that any Divestiture Product Core Employee is permitted to do as an employee of the Acquirer.
- H. Respondents shall provide each Essential Employee who (i) accepts an offer of employment with the Acquirer either on or before the Divestiture Date or within six (6) months after the Divestiture Date, and (ii) who remains with the Acquirer for a period of (1) year, a financial incentive equal to amount specified in Non-Public Appendix III. The Respondents shall pay such financial incentives one (1) year after the commencement of the employee's employment by the Acquirer. On or before the Divestiture Date, Respondents shall notify each Essential Employee of the provisions of this Paragraph. Respondents shall give the above-described notification to each Essential Employee by e-mail with return receipt requested and keep a file of those receipts for two (2) years after the Divestiture Date. Each Respondent shall provide a copy of the notification to the Acquirer.

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VII. Asset Maintenance

IT IS FURTHER ORDERED that:

- A. Until Respondents complete the divestitures required by this Order and fully provide, or cause to be provided, the Manufacturing Technology related to each Divestiture Product to the Acquirer Respondents shall take actions as are necessary to:
1. maintain the full economic viability and marketability of the Business associated with that Divestiture Product;
 2. minimize any risk of loss of competitive potential for that Divestiture Product Business;
 3. prevent the destruction, removal, wasting, deterioration, or impairment of any of the assets related to that Divestiture Product Business;
 4. ensure the assets related to each Divestiture Product Business are provided to the Acquirer in a manner without disruption, delay, or impairment of the Product Approval processes related to that Divestiture Product Business;
 5. ensure the completeness of the transfer and delivery of the Manufacturing Technology; and
- B. Respondents shall not sell, transfer, encumber, or otherwise impair the Divestiture Product Assets (other than in the manner prescribed in this Order), nor take any action that lessens the full economic viability, marketability, or competitiveness of the Divestiture Product Businesses.

VIII. Confidential Business Information

IT IS FURTHER ORDERED that:

- A. Respondents shall:
1. transfer and deliver to the Acquirer, at Respondents' expense, all Confidential Business Information:
 - a. in good faith;
 - b. in a timely manner, *i.e.*, as soon as practicable, avoiding any delays in transmission of the respective information; and
 - c. in a manner that ensures its completeness and accuracy and that fully preserves its usefulness;

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2. pending complete delivery of all such Confidential Business Information to the Acquirer, provide the Acquirer and the Monitor with access to all such Confidential Business Information and employees who possess or are able to locate such information for the purposes of identifying the books, records, and files directly related to the Business of each Divestiture Product that contain such Confidential Business Information and facilitating the delivery in a manner consistent with this Order;
3. not use, directly or indirectly, any such Confidential Business Information other than as necessary to comply with the following:
 - a. the requirements of the Orders;
 - b. Respondents' obligations to the Acquirer under the terms of any related Divestiture Agreement; or
 - c. applicable Law;
4. not disclose or convey any Confidential Business Information, directly or indirectly, to any Person *except*:
 - a. the Acquirer;
 - b. other Persons specifically authorized by the Acquirer or staff of the Commission to receive such information;
 - c. the Commission; or
 - d. the Monitor; and

except to the extent necessary to comply with applicable Law;
5. not provide, disclose or otherwise make available, directly or indirectly, any Confidential Business Information to the employees associated with the business that is being retained, owned, or controlled by the Respondents, other than those employees directly involved in providing Contract Manufacturing or Transition Services to the Acquirer or who are engaged in the transfer and delivery of the Manufacturing Technology to the Acquirer and only for the purposes of providing such products, assistance, and information to the Acquirer;
6. institute procedures and requirements to ensure that the employees providing Contract Manufacturing or Transition Services or who are engaged in the transfer and delivery of the Manufacturing Technology:

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- a. do not provide, disclose, or otherwise make available, directly or indirectly, any Confidential Business Information in contravention of the Orders; and
 - b. do not solicit, access, or use any Confidential Business Information that they are prohibited from receiving for any reason or purpose; and
 - 7. take all action necessary and appropriate to prevent access to, and the disclosure or use of the Confidential Business Information by or to any Person(s) not authorized to access, receive, and/or use such information pursuant to the terms of the Orders or the Divestiture Agreements, including:
 - a. establishing and maintaining appropriate firewalls, confidentiality protections, internal practices, training, communications, protocols and system and network controls and restrictions;
 - b. to the extent practicable, maintaining Confidential Business Information separate from other data or information of the Respondents; and
 - c. ensuring by other reasonable and appropriate means that the Confidential Business Information is not share with Respondents' personnel engaged in the provision of the same or substantially the same type as the Divestiture Product Businesses;
 - 8. upon the request of the Acquirer, destroy any copies of Confidential Business Information (other than electronic copies of Confidential Business Information created as a result of automatic back-up procedures) within thirty (30) days of such request *except* as otherwise agreed to between the Respondent(s) and the Acquirer or to the extent necessary to comply with applicable Law.
- B. Respondents shall require, as a condition of continued employment post-divestiture of the Divestiture Product Assets, that each employee that has had responsibilities related to the Development, marketing, or sales of the Divestiture Products within the one (1) year period prior to the Divestiture Date and each employee that has responsibilities related to the Development, marketing, or sales of those Retained Products that perform the same or similar functions as the Divestiture Products, in each case who have or may have had access to Confidential Business Information (including the specific formulations of the Divestiture Products), and the direct supervisor(s) of any such employee sign a confidentiality agreement pursuant to which that employee shall be required to maintain all Confidential Business Information related to the Divestiture Products as strictly confidential, including the nondisclosure of that information to all other

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employees, executives, or other personnel of the Respondents (other than as necessary to comply with the requirements of this Order).

- C. Not later than thirty (30) days after the Divestiture Date, each Respondent shall provide written notification of the restrictions on the use and disclosure of the Confidential Business Information related to the Divestiture Products by that Respondent's personnel to all of its employees who (i) may be in possession of such Confidential Business Information or (ii) may have access to such Confidential Business Information. Each Respondent shall give the above-described notification by e-mail with return receipt requested or similar transmission, and keep a file of those receipts for one (1) year after the Divestiture Date. Each Respondent shall provide a copy of the notification to the Acquirer. Each Respondent shall maintain complete records of all such notifications at that Respondent's registered office within the United States of America and shall provide an officer's certification to the Commission affirming the implementation of, and compliance with, the acknowledgement program. Each Respondent shall provide the Acquirer with copies of all certifications, notifications, and reminders sent to that Respondent's personnel.
- D. Each Respondent shall assure that its own counsel (including its own in-house counsel under appropriate confidentiality arrangements) shall not retain unredacted copies of documents or other materials provided to an Acquirer (other than electronic copies created as a result of automatic back-up procedures) or access original documents provided to an Acquirer, *except* under circumstances where copies of documents are insufficient or otherwise unavailable, and for the following purposes:
1. to assure such Respondent's compliance with any Divestiture Agreement, this Order, any Law (including any requirement to obtain regulatory licenses or approvals, and rules promulgated by the Commission), any data retention requirement of any applicable Government Entity, or any taxation requirements; or
 2. to defend against, respond to, or otherwise participate in any litigation, investigation, audit, process, subpoena, or other proceeding relating to the divestiture or any other aspect of the Divestiture Products or the assets and Businesses associated with those Divestiture Products;

provided, however, that a Respondent may disclose such information as necessary for the purposes set forth in this Paragraph pursuant to an appropriate confidentiality order, agreement, or arrangement;

provided further, however, that pursuant to this Paragraph, a Respondent needing such access to original documents shall: (i) require those who view such unredacted documents or other materials to enter into confidentiality agreements with the Acquirer (but shall not be deemed to have violated this requirement if the

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Acquirer withholds such agreement unreasonably); and (ii) use best efforts to obtain a protective order to protect the confidentiality of such information during any adjudication.

IX. Monitor**IT IS FURTHER ORDERED** that:

- A. James B. Mynaugh shall serve as the Monitor to observe and report on Respondents' compliance with all of Respondents' obligations as required by the Orders and the Divestiture Agreements.
- B. Not later than one (1) day after the Acquisition Date, Respondents shall confer on the Monitor all the rights, powers, and authorities necessary to monitor each Respondent's compliance with the Orders.
- C. Respondents shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of the Monitor:
 - 1. The Monitor shall have the power and authority to monitor each Respondent's compliance with the divestiture and asset maintenance obligations and related requirements of the Orders, and shall exercise such power and authority and carry out the duties and responsibilities of the Monitor in a manner consistent with the purposes of the Orders and in consultation with the Commission or its staff.
 - 2. The Monitor shall act in consultation with the Commission or its staff, and shall serve as an independent Third Party and not as an employee or agent of the Respondents or of the Commission; and
 - 3. The Monitor shall serve until Respondents complete the following in a manner as required by this Order:
 - a. the transfer and delivery of all of the Divestiture Product Assets to the Acquirer;
 - b. the transfer and delivery of all the Manufacturing Technology to the Acquirer;
 - c. the transfer and delivery of all Confidential Business Information to the Acquirer;
 - d. the provision of all Transition Services to the Acquirer; and

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- e. the Acquirer or its Manufacturing Designee is able to manufacture the Divestiture Products in the same quality as the Respondents and in commercial volumes, independently of the Respondents.

provided, however, that the Monitor's service shall not extend more than four (4) years after the Order Date *unless* the Commission extends this period.

- D. Subject to any demonstrated legally recognized privilege, the Monitor shall have full and complete access to each Respondent's personnel, books, documents, records kept in the ordinary course of business, facilities, and technical information, and such other relevant information as the Monitor may reasonably request, related to that Respondent's compliance with its obligations under the Orders, including its obligations related to the relevant assets.
- E. Each Respondent shall cooperate with any reasonable request of the Monitor and shall take no action to interfere with or impede the Monitor's ability to monitor that Respondent's compliance with the Orders.
- F. The Monitor shall serve, without bond or other security, at the expense of Respondents, on such reasonable and customary terms and conditions as the Commission may set. The Monitor shall have authority to employ, at the expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Monitor's duties and responsibilities.
- G. Respondents shall indemnify the Monitor and hold the Monitor harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Monitor's duties, including all reasonable fees of counsel and other reasonable expenses incurred in connection with the preparations for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from gross negligence, willful or wanton acts, or bad faith by the Monitor.
- H. Respondents shall report to the Monitor in accordance with the requirements of the Orders and as otherwise provided in any agreement approved by the Commission. The Monitor shall evaluate the reports submitted to the Monitor by a Respondent, and any reports or communications submitted by the Acquirer with respect to the performance of a Respondent's obligations under the Orders. The Monitor shall evaluate the reports submitted to the Monitor by a Respondent, and any reports submitted by the Acquirer with respect to the performance of a Respondent's obligations under the Orders. Within thirty (30) days after Order Date and every ninety (90) days thereafter, and at such other times as may be requested by staff of the Commission, the Monitor shall report in writing to the Commission concerning performance by the Respondents of the Respondents' obligations under the Orders.

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- I. Respondents may require the Monitor and each of the Monitor's consultants, accountants, attorneys, and other representatives and assistants to sign a customary confidentiality agreement;
- provided, however, that such agreement shall not restrict the Monitor from providing any information to the Commission.*
- J. The Commission, among other things, may require the Monitor and each of the Monitor's consultants, accountants, attorneys, and other representatives and assistants to sign an appropriate confidentiality agreement related to Commission materials and information received in connection with the performance of the Monitor's duties.
- K. If the Commission determines that the Monitor has ceased to act or failed to act diligently, the Commission may appoint a substitute Monitor in the following manner:
1. the Commission shall select the substitute Monitor, subject to the consent of Respondent Quaker, which consent shall not be unreasonably withheld. If Respondent Quaker has not opposed, in writing, including the reasons for opposing, the selection of a proposed Monitor within ten (10) day after notice by the staff of the Commission to Respondent Quaker of the identity of any proposed Monitor, Respondents shall be deemed to have consented to the selection of the proposed Monitor;
 2. not later than ten (10) days after the appointment of the Monitor, Respondent Quaker shall execute an agreement that, subject to the prior approval of the Commission, confers on the Monitor all the rights, powers, and authorities necessary to permit the Monitor to monitor Respondents' compliance with the Orders in a manner consistent with the purposes of the Orders.
- L. The Commission may on its own initiative, or at the request of the Monitor, issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of the Orders.
- M. The Monitor may be the same Person appointed as a Divestiture Trustee pursuant to the relevant provisions of this Order.

X. Divestiture Trustee**IT IS FURTHER ORDERED** that:

- A. If the Respondents have not fully complied with the obligations to assign, grant, license, divest, transfer, deliver, or otherwise convey the Divestiture Product Assets as required by this Order, the Commission may appoint a trustee

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(“Divestiture Trustee”) to assign, grant, license, divest, transfer, deliver, or otherwise convey these assets in a manner that satisfies the requirements of this Order. In the event that the Commission or the Attorney General brings an action pursuant to § 5(l) of the Federal Trade Commission Act, 15 U.S.C. § 45(l), or any other statute enforced by the Commission, Respondents shall consent to the appointment of a Divestiture Trustee in such action to assign, grant, license, divest, transfer, deliver, or otherwise convey these assets. Neither the appointment of a Divestiture Trustee nor a decision not to appoint a Divestiture Trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed Divestiture Trustee, pursuant to § 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by a Respondent to comply with this Order.

- B. The Commission shall select the Divestiture Trustee, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The Divestiture Trustee shall be a Person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed Divestiture Trustee within ten (10) days after notice by the staff of the Commission to a Respondent of the identity of any proposed Divestiture Trustee, Respondents shall be deemed to have consented to the selection of the proposed Divestiture Trustee.
- C. Not later than ten (10) days after the appointment of a Divestiture Trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission, transfers to the Divestiture Trustee all rights and powers necessary to permit the Divestiture Trustee to effect the divestiture required by this Order.
- D. If a Divestiture Trustee is appointed by the Commission or a court pursuant to this Paragraph, Respondents shall consent to the following terms and conditions regarding the Divestiture Trustee’s powers, duties, authority, and responsibilities:
 - 1. Subject to the prior approval of the Commission, the Divestiture Trustee shall have the exclusive power and authority to assign, grant, license, divest, transfer, deliver, or otherwise convey the assets that are required by this Order to be assigned, granted, licensed, divested, transferred, delivered, or otherwise conveyed.
 - 2. The Divestiture Trustee shall have one (1) year after the date the Commission approves the trust agreement described herein to accomplish the divestiture, which shall be subject to the prior approval of the Commission. If, however, at the end of the one (1) year period, the Divestiture Trustee has submitted a plan of divestiture or the Commission believes that the divestiture(s) can be achieved within a reasonable time, the divestiture period may be extended by the Commission;

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provided, however, the Commission may extend the divestiture period only two (2) times.

3. Subject to any demonstrated legally recognized privilege, the Divestiture Trustee shall have full and complete access to the personnel, books, records, and facilities related to the relevant assets that are required to be assigned, granted, licensed, divested, delivered, or otherwise conveyed by this Order and to any other relevant information as the Divestiture Trustee may request. Respondents shall develop such financial or other information as the Divestiture Trustee may request and shall cooperate with the Divestiture Trustee. Respondents shall take no action to interfere with or impede the Divestiture Trustee's accomplishment of the divestiture(s). Any delays in divestiture caused by a Respondent shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed Divestiture Trustee, by the court.
4. The Divestiture Trustee shall use commercially reasonable efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest expeditiously and at no minimum price. The divestiture(s) shall be made in the manner and to an Acquirer as required by this Order;

provided, however, if the Divestiture Trustee receives bona fide offers from more than one acquiring Person, and if the Commission determines to approve more than one such acquiring Person, the Divestiture Trustee shall divest to the acquiring Person selected by Respondents from among those approved by the Commission;

provided further, however, that Respondents shall select such Person within five (5) days after receiving notification of the Commission's approval.

5. The Divestiture Trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as the Commission or a court may set. The Divestiture Trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the Divestiture Trustee's duties and responsibilities. The Divestiture Trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission of the account of the Divestiture Trustee, including fees for the Divestiture Trustee's services, all remaining monies shall be paid at

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the direction of Respondents, and the Divestiture Trustee's power shall be terminated. The compensation of the Divestiture Trustee shall be based at least in significant part on a commission arrangement contingent on the divestiture of all of the relevant assets that are required to be divested by this Order.

6. Respondents shall indemnify the Divestiture Trustee and hold the Divestiture Trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from gross negligence, willful or wanton acts, or bad faith by the Divestiture Trustee.
 7. The Divestiture Trustee shall have no obligation or authority to operate or maintain the relevant assets required to be divested by this Order; *provided, however*, that the Divestiture Trustee appointed pursuant to this Paragraph may be the same Person appointed as Monitor pursuant to the relevant provisions of this Order or the Order to Maintain Assets in this matter.
 8. The Divestiture Trustee shall report in writing to Respondents and to the Commission every sixty (60) days concerning the Divestiture Trustee's efforts to accomplish the divestiture.
 9. Respondents may require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, attorneys, and other representatives and assistants to sign a customary confidentiality agreement; *provided, however*, that such agreement shall not restrict the Divestiture Trustee from providing any information to the Commission.
- E. The Commission may, among other things, require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, attorneys, and other representatives and assistants to sign an appropriate confidentiality agreement related to Commission materials and information received in connection with the performance of the Divestiture Trustee's duties.
- F. If the Commission determines that a Divestiture Trustee has ceased to act or failed to act diligently, the Commission may appoint a substitute Divestiture Trustee in the same manner as provided in this Paragraph.
- G. The Commission or, in the case of a court-appointed Divestiture Trustee, the court, may on its own initiative or at the request of the Divestiture Trustee issue

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such additional orders or directions as may be necessary or appropriate to accomplish the divestiture(s) required by this Order.

XI. Compliance Reports**IT IS FURTHER ORDERED** that:

- A. Within five (5) days of the Acquisition Date, Respondents shall submit to the Commission a letter certifying the date on which the Acquisition Date occurred, including a paper original submitted to the Secretary of the Commission and electronic copies to the Secretary at ElectronicFilings@ftc.gov and to the Compliance Division at bccompliance@ftc.gov.
- B. Within five (5) days of the Divestiture Date, Respondents shall submit to the Commission a letter certifying the date on which the divestiture occurred, including a paper original submitted to the Secretary of the Commission and electronic copies to the Secretary at ElectronicFilings@ftc.gov and to the Compliance Division at bccompliance@ftc.gov.
- C. Within thirty (30) days after the Order Date, and every ninety (90) days thereafter until Respondents have completed all of the following:
 - 1. the transfer and delivery of all Divestiture Product Assets to the Acquirer;
 - 2. transfer and delivery of all of the Manufacturing Technology to an Acquirer;
 - 3. the provision of Transition Services; and
 - 4. the provision of Contract Manufacture of the Divestiture Products, all in a manner that fully satisfies the requirements of this Order;

Respondents shall submit to the Commission and, at the same time, to the Monitor, a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with the requirements of the Orders (“Compliance Reports”).

- D. Each Compliance Report shall contain sufficient information and documentation to enable the Commission independently to determine whether the Respondents are in compliance with the Orders. Conclusory statements that Respondents have complied with their obligations under the Orders are insufficient. Respondents shall include in their Compliance Reports, among other things that are required from time to time, a full description of their efforts being made to comply with the Orders, including:

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1. a detailed description of all substantive contacts, negotiations, actions, or recommendations related to:
 - a. the transfer and delivery of all Divestiture Product Assets to the Acquirer;
 - b. transfer and delivery of all of the Manufacturing Technology to the Acquirer;
 - c. the provision of Transition Services to the Acquirer; and
 - d. the provision of Contract Manufacture of the Divestiture Products to the Acquirer; and
 2. a detailed description of the timing for the completion of such obligations.
- E. One (1) year after the Order Date, annually for the nine (9) years on the anniversary of the Order Date, and at other times as the Commission may require, Respondents shall file a verified written report with the Commission setting forth in detail the manner and form in which they have complied and are complying with the Order.
- F. Respondents shall verify each Compliance Report in the manner set forth in 28 U.S.C. § 1746 by the Chief Executive Officer or other officer or employee specifically authorized to perform this function. Respondents shall submit an original and 2 copies of each Compliance Report as required by Commission Rule 2.41(a), 16 C.F.R. § 2.41(a), including a paper original submitted to the Secretary of the Commission and electronic copies to the Secretary at ElectronicFilings@ftc.gov and to the Compliance Division at bccompliance@ftc.gov. In addition, Respondents shall provide a copy of each Compliance Report to the Monitor.

XII. Change in Respondents

IT IS FURTHER ORDERED Respondents shall notify the Commission at least thirty (30) days prior to:

- A. any proposed dissolution of: Quaker Chemical Corporation; Global Houghton Ltd.; Gulf Houghton Lubricants Ltd.; or AMAS Holding Spf;
- B. any proposed acquisition, merger, or consolidation of: Quaker Chemical Corporation, Global Houghton Ltd.; Gulf Houghton Lubricants Ltd.; or AMAS Holding Spf; or

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- C. any other change in a Respondent including assignment and the creation, sale, or dissolution of subsidiaries, if such change might affect compliance obligations arising out of the Orders.

XIII. Access

IT IS FURTHER ORDERED that, for purposes of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and upon five (5) days' notice to a Respondent made to its principal place of business as identified in the Orders, registered office of its United States subsidiary, or its headquarters address, the notified Respondent shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. access, during business office hours of the Respondent and in the presence of counsel, to all facilities and access to inspect and copy all business and other records and all documentary material and electronically stored information as defined in Commission Rules 2.7(a)(1) and (2), 16 C.F.R. § 2.7(a)(1) and (2), in the possession or under the control of the Respondent related to compliance with this Order, which copying services shall be provided by the Respondent at the request of the authorized representative of the Commission and at the expense of that Respondent; and
- B. to interview officers, directors, or employees of that Respondent, who may have counsel present, regarding such matters.

XIV. Purpose

IT IS FURTHER ORDERED that the purpose of the divestiture of the Divestiture Product Assets and the related obligations imposed on the Respondents by this Order is:

- A. to ensure the continued use of such assets for the purposes of the Business of Divestiture Products within the Geographic Territory;
- B. to create a viable and effective competitor that is independent of Respondents in the Business of the Divestiture Products within the Geographic Territory; and
- C. to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission's Complaint in a timely and sufficient manner.

XV. Term

IT IS FURTHER ORDERED that this Order shall terminate on September 9, 2029.

By the Commission.

Analysis to Aid Public Comment

NON-PUBLIC APPENDIX I**VI. ACQUISITION AGREEMENT****[Cover Page]****NON-PUBLIC APPENDIX II****AGREEMENTS RELATED TO THE DIVESTITURE****[Cover Page]****NON-PUBLIC APPENDIX III****ESSENTIAL EMPLOYEES****[Cover Page]****ANALYSIS OF CONSENT ORDERS TO AID PUBLIC COMMENT****Introduction**

The Federal Trade Commission (“Commission”) has accepted for public comment, subject to final approval, an Agreement Containing Consent Orders (“Consent Agreement”) from Quaker Chemical Corporation (“Quaker”), Global Houghton LTD. (“Houghton”), Gulf Houghton Lubricants LTD., and AMAS Holding SPF (collectively, the “Respondents”). The Consent Agreement would remedy the anticompetitive effects that likely would result from Quaker’s proposed acquisition of Houghton (“Transaction”).

Absent a remedy, the Transaction would threaten to harm competition in the manufacture and sale of: (1) aluminum hot rolling oils (“AHRO”) and associated technical

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support in North America; and (2) steel cold rolling oils (“SCRO”) and associated technical support in North America. In particular, the Commission’s Complaint alleges that the Transaction, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and that the asset purchase agreement constitutes a violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, by substantially lessening competition in the manufacture and sale of AHRO and SCRO in an area no greater than North America.

The Consent Agreement addresses the Commission’s concerns by, among other things, requiring Quaker to divest Houghton’s North American AHRO and SCRO product lines to Total S.A. (“Total”), a multination oil and gas company headquartered in France. Quaker must also divest the intellectual property associated with Houghton’s AHRO and SCRO, and adjacent products including steel cleaners and AHRO compatible hydraulic fluids.

The Commission has placed the proposed Consent Agreement on the public record for 30 days to solicit comments from interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the proposed Consent Agreement and any comments received, and will decide whether it should withdraw from the Consent Agreement, modify it, or make it final.

I. The Respondents

Respondent Quaker, a publicly traded company, is a global supplier of specialty process chemicals, lubricants, greases, and other metal processing products. Headquartered in Conshohocken, Pennsylvania, Quaker’s 2018 revenues were \$868 million.

Respondent Houghton is a global supplier of advanced metalworking fluids and services.

It serves the automotive, aerospace, metals, mining, machinery, and beverage industries. Houghton is headquartered in Valley Forge, Pennsylvania.

II. The Proposed Acquisition

The Commission’s Complaint alleges that a relevant product market in which to analyze the Transaction is the manufacture and sale of AHRO and associated technical support services. AHRO is a mixture of water, oil, and additives, custom-formulated to lubricate each individual rolling mill. AHRO is necessary to allow manufacturers to operate hot rolling mills for aluminum sheet production. There is no substitute product for AHRO; lubricants for rolling other metals or for other rolling processes will not work for aluminum hot rolling.

The associated technical support services are appropriately included in this product market, as AHRO suppliers provide these services as an integral component of the physical product. There is no separate charge for these services. Technical support services begin with the formulation of the oil and continue throughout the life of the supply relationship, including necessary modifications to the formulation and contamination monitoring in both the trial phase and during active production. Technical support services from the AHRO

Analysis to Aid Public Comment

supplier are essential to the ongoing performance of the mill, and there is no substitute for these services as provided in conjunction with AHRO.

The Commission's Complaint also alleges that an area no greater than North America is a relevant geographic market in which to analyze the effects of the Transaction. U.S. AHRO customers do not obtain supply from outside North America. Rolling oil suppliers typically supply their customers by truck and station technical support personnel at or near their customers' mills to ensure timely supply and rapid service. At the mill, customers blend the oil with the mill's own water supply to create the final emulsion. Given the large volumes of rolling oil required to run a mill, and the need for timely re-supply, shipping AHRO from outside North America would be cost- and supply-prohibitive.

The relevant market for AHRO and associated technical support services in North America is highly concentrated. Quaker and Houghton are the only two companies that commercially supply AHRO in North America. Thus, post-transaction, Quaker will be the monopoly AHRO supply option for third parties in North America.

Timely, sufficient entry is unlikely to alleviate any potential competitive harm in the market for AHRO and associated technical support services. Consistent with the Commission's allegations in the 2010 AEA Investors/ Houghton ("Houghton/D.A. Stuart") complaint (Docket No. C-4297), entry is difficult in this market. Formulating AHRO and providing technical support services require specialized knowledge that is not widely available. Even the few AHRO customers with in-house supply capabilities are unable to supply fully their own mills given the shortage of qualified scientists to develop and real-time modify rolling oil formulations and support their use in mill operations. Large, well-established customers of AHRO are unaware of potential entrants that could enter the market and supply AHRO.

Customer acceptance is also a significant entry barrier. Customers are reluctant to switch AHRO suppliers because AHRO is so critical to aluminum sheet rolling. Aluminum manufacturers place great weight on the AHRO suppliers' experience and reputation. They likely would be unwilling to chance a supplier that lacks the parties' established reputations and decades of experience given the risk of catastrophic effects should the supplier's product or support capabilities fall short. There are significant time commitments and costs associated with switching to a new AHRO supplier. Given that AHRO is a relatively small cost component in the production of aluminum coil, it is unlikely that a small significant sustained price increase would justify a lengthy trial process for a new entrant without a proven track record.

The Commission's Complaint also alleges that a relevant product market in which to analyze the Transaction is the manufacture and sale of SCRO and associated technical support. SCRO includes sheet cold rolling oils, pickle oils, and tin plate rolling oils ("TPRO"). Steel manufacturers use SCRO to reduce friction and prevent metal-to-metal contact between surfaces of the mill's rollers and the steel during the cold rolling process for steel sheet of any width or gauge, for any further processing (e.g., tinning or coating with another substance, e.g., zinc, aluminum, or paint), and for any end-use (e.g., can bodies, can ends, and other closures for food and beverages, household appliances, such as washers and dryers, automobile

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or truck parts, or building and construction products). Like other rolling oils, SCRO is a mixture of water, oil, and additives for lubrication and corrosion protection. SCRO producers customize the product for each individual rolling mill, and there are no substitutes for SCRO. Lubricants designed for other mills, metals, or rolling processes could damage mill equipment and render the processed steel unusable.

As with AHRO, SCRO suppliers provide essential technical support services as part of the supply of the lubricant (i.e., without a separate charge). The provision of these technical services is an essential component of the SCRO supply relationship.

As with AHRO, North America is the relevant geographic market for SCRO. Staffs investigation did not reveal evidence that any mill in the United States received SCRO products and services from suppliers outside North America.

Steel manufacturers in the United States primarily use SCRO made with animal fat in their mills. Because animal fat will congeal under typical tanker truck conditions, SCRO suppliers must deliver it via heated tanker trucks. This heating requirement adds to transportation costs, making imports of animal fat-based SCRO cost-prohibitive.

The animal fat-based composition of SCRO used in the United States also limits customers' choices for supply. Steel mills in the United States typically are older and have relatively smaller tanks that require frequent drainage. As a result, it is not economical for U.S. steel mills to use vegetable oil based (commonly referred to as synthetic oil) that is more advanced but higher cost. European steel mills, which are generally newer and have larger tanks, use this synthetic SCRO. Given the greater cost of synthetic SCRO and the costs of shipping, U.S. steel manufacturers are unlikely to turn to overseas SCRO suppliers in response to a small significant sustained price increase.

As in the market for AHRO, Quaker and Houghton are the two dominant suppliers of SCRO and associated technical support services in North America. Although fringe competitors participate in this market, to the extent that customers need both SCRO and related support and technical services combined, the merger may present as an effective merger-to-monopoly.

III. Effects of the Transaction

The proposed transaction would be a merger to monopoly in the market for AHRO and associated technical support services. Staffs investigation has revealed no evidence to suggest that the likely competitive effects of this combination are meaningfully different from those of the Houghton/D.A. Stuart transaction remedied by the Commission in 2010. In addition, customers worry that the proposed transaction would consolidate all AHRO technical expertise within one company. Today, Quaker and Houghton compete on their technical support service capabilities, including their availability, responsiveness, and expertise in anticipating, preventing, diagnosing, and addressing problems related to their lubricants in order to ensure smooth operations and high quality aluminum sheet. The parties' support service technicians must thoroughly understand the design of each mill, the products made there, and the interaction between the rolling oil, substrate, and rollers. When problems arise today, they

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create an opportunity for a competitor to challenge the incumbent supplier as the customer seeks a solution and/or a superior product as quickly as possible to get operations back on track. Post-merger, customers will have only one support team - Quaker's - to turn to in the event of operational issues, and will lose the advantage of a possible switch to encourage investment in troubleshooting.

The Transaction presents similar concerns for customers of SCRO and associated technical support services. Notwithstanding the presence of a few fringe suppliers, SCRO customers fear that the deal may result in higher prices, lower service levels, reduced innovation, and supply availability challenges. Like AHRO customers, SCRO customers face meaningful barriers to switching suppliers, including lengthy trial periods, downtime, and long waits for customer approval.

Quaker and Houghton also compete on the quality of their technical support services and expertise. Customers rely on their SCRO suppliers to troubleshoot and address operational issues as they arise. When the incumbent supplier cannot resolve problems to the customer's satisfaction, the customer may turn to a competing supplier to propose an alternative solution. Post-merger, Quaker will no longer face Houghton as a competitive threat to keep its service levels sharp; competition from fringe SCRO suppliers may not be sufficient to protect customers.

Customers have also raised concerns that the proposed merger would eliminate their only SCRO alternative in the event of supply challenges or emergencies. If a supply disruption occurs, SCRO customers must either turn to an alternative supplier or idle their mills at great expense. Steel manufacturers take comfort in the availability of multiple potential SCRO suppliers to ensure that they can access this essential input in times of shortages. The proposed transaction would eliminate the most promising alternative supply option for SCRO customers, and may deprive them of any viable alternative at all.

A prospective entrant into the SCRO market faces similar barriers to those that render entry unlikely for AHRO, including technical expertise and reputational hurdles. Entry is difficult even for a supplier that operates in other fluid-based markets.

IV. The Proposed Consent Agreement

The proposed order requires a divestiture to Total. Total's business includes oil and gas exploration, refining, and marketing as well as chemical manufacturing. Total had annual revenues in 2018 of approximately \$210 billion. The divestiture to Total would replicate Houghton's competitive presence in the AHRO and SCRO markets in North America by creating a viable, effective, and independent competitor. The order requires Quaker to divest certain products, transfer key employees, and provide transition services and toll manufacturing. The term of the proposed order is ten years. The order also requires Quaker to supply the divested products to Total for a transitional period while transferring the manufacturing technology to Total.

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To remedy harm in the market for AHRO, Quaker will divest to Total: (1) Houghton's formulations, intellectual property, including patent for non-oleic acid formula, trade secrets, including know-how for its AHRO; (2) customer contracts for North America; (3) key Houghton employees that are responsible for the commercial and technical aspects of the AHRO business; and (4) adjacent products including fire resistant hydraulic fluids.

To remedy harm in the market for SCRO, which includes sheet cold rolling oil, TPRO, and pickle oil, Quaker will divest to Total: (1) Houghton's formulations, trade secrets and intellectual property, including know-how for sheet cold rolling oils, TPRO, and pickle oil; (2) customer contracts for North America; (3) key Houghton employees that are responsible for the commercial and technical aspects of the SCRO business; and (4) SCRO and TPRO cleaners.

Complaint

IN THE MATTER OF

BOSTON SCIENTIFIC CORPORATIONCONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF SECTION 5 OF THE FEDERAL
TRADE COMMISSION ACT AND SECTION 7 OF THE CLAYTON ACT*Docket No. C-4684; File No. 191 0039**Complaint, August 6, 2019 – Decision, September 18, 2019*

This consent order addresses the \$4.2 billion acquisition by Boston Scientific Corporation of certain assets of BTG plc. The complaint alleges that the Acquisition, if consummated, would violate Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act by substantially lessening competition in the U.S. market for drug eluting beads (“DEBs”). The consent order requires BSC to divest all rights and assets related to its DEBs business, as well as its closely related bland bead business, to Varian Medical Systems.

Participants

For the *Commission*: *Jonathan W. Ripa*.

For the *Respondents*: *Michael B. Bernstein, Arnold & Porter Kaye Scholer LLP*.

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Boston Scientific Corporation (“BSC”), a company subject to the jurisdiction of the Commission, has made an offer to acquire all of the voting securities of BTG, plc (“BTG”), a company subject to the jurisdiction of the Commission, in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45; that such acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45; and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. RESPONDENT

1. Respondent BSC is a corporation organized, existing, and doing business under and by virtue of the laws of the state of Delaware, with its headquarters located at 300 Boston Scientific Way, Marlborough, MA, 01752-1234. BSC is engaged in the development, manufacture, sale, and distribution of medical devices used in a broad range of interventional medical specialties.

2. Respondent BSC is, and at all times relevant herein has been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act as amended, 5 U.S.C. § 12, and is a company whose business is in or affects commerce, as “commerce” is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.