

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

FORM 8-K

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

March 8, 2005
Date of Report (Date of earliest event reported)

QUAKER CHEMICAL CORPORATION

(Exact name of Registrant as specified in its charter)

Commission File Number 0-7154

PENNSYLVANIA
(State or other jurisdiction of
incorporation or organization)

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

**One Quaker Park
901 Hector Street
Conshohocken, Pennsylvania 19428**
(Address of principal executive offices)
(Zip Code)

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

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

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

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

INFORMATION TO BE INCLUDED IN THE REPORT

Item 1.01. Entry into a Material Definitive Agreement.

On March 8, 2005, Quaker Chemical Corporation (the "Company") and Joseph W. Bauer, President and Chief Operating Officer of the Company, entered into an agreement continuing Mr. Bauer's relationship with the Company after his retirement as an executive officer, effective July 1, 2005.

The agreement provides for Mr. Bauer's availability for consulting assignments from July 2, 2005 to June 30, 2006, for five days per month at \$6,500 per month and from July 1, 2006 to December 31, 2006, for three days per month at \$4,000 per month. Any consulting days worked in excess of these commitments will be paid at \$1,500 per day.

The agreement also includes possible bonus payments to Mr. Bauer conditioned on his employment with the Company through July 1, 2005, as follows: (i) an annual bonus, if earned, for 2005 will be paid, as if he were employed the full year and was still an eligible participant in the Company's 2001 Global Annual Incentive Plan ("GAIP"), in early 2006, at the time the GAIP bonus is paid by the Company to all participants under the Plan; (ii) a bonus, if earned, for the performance period 2003-2005 under the Company's Long-Term Performance Incentive Plan ("LTIP") will be paid and any restricted stock earned under the LTIP will be converted to cash prior to payment using Fair Market Value (as defined in the LTIP) of the Company's Common Stock as of the last day of 2005, again as if he were employed for the full year and an eligible participant in the LTIP; (iii) a pro rata award, if earned, for the LTIP's 2004-2006 performance period, based on Mr. Bauer's retirement date, will be paid in early 2007 at the time other bonuses are paid to LTIP participants; and (iv) a one-time bonus of \$100,000 will be paid in January 2007.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Joseph W. Bauer, President and Chief Operating Officer of the Company, has elected to retire as an executive officer, effective July 1, 2005.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10	Letter Agreement dated March 8, 2005 between Quaker Chemical Corporation and Joseph W. Bauer

SIGNATURE

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

QUAKER CHEMICAL CORPORATION
Registrant

Date: March 10, 2005

By: /s/ Ronald J. Naples

Ronald J. Naples
Chairman and
Chief Executive Officer



Ronald J. Naples
Chairman and Chief Executive Officer
March 8, 2005

Mr. Joseph W. Bauer
9 Kittansett Court
Bluffton, SC 29910

Dear Joe:

This letter states the agreements we've reached in consideration of and to accommodate your retirement on July 1, 2005 ("Retirement Date"). Through these agreements, Quaker Chemical Corporation ("Quaker") is able to continue to take advantage of your years of experience in Quaker for a period after your retirement, provide for possible bonus payments for years in which you've been an important contributor to our results, and provide special consideration in recognition of your willingness to delay your retirement to serve our needs.

1. Consulting

You have agreed to be available for consulting assignments from July 2, 2005 to June 30, 2006, for five days per month at \$6,500 per month. From July 1, 2006 to December 31, 2006, you will be available for three days per month at \$4,000 per month. Any consulting days worked in excess of these commitments are to be paid at \$1,500 per day. These payments depend on your continuing availability for consulting assignments. You will also be reimbursed for reasonable expenses incurred (consistent with the company's expense reimbursement program then in effect) in connection with the consulting services which you provide.

2. Bonuses

Conditioned on your employment through your Retirement Date:

- You will be paid an annual bonus, if earned, for 2005 as if you were employed for the full year and as if you were an eligible participant in Quaker's 2001 Global Annual Incentive Plan. Any such annual bonus earned will be paid in early 2006 at the time the GAIP bonus is paid by Quaker to all participants under such Plan.
- You will be paid an LTIP bonus, if earned, for the performance period 2003-2005 as if you were employed for the whole year 2005 and as if you were an eligible participant in Quaker's 2001 Long-Term Incentive Plan. Any restricted stock that would otherwise be earned shall be converted to cash prior to payment using the Fair Market Value (as defined in the LTIP) of the Quaker Common Stock as of the last day of 2005.
- For the LTIP period 2004-2006, you will be entitled to a pro rata award, if earned, based on your Retirement Date as an eligible participant in Quaker's 2001 Long-Term Incentive Plan. Any LTIP earned will be paid in early 2007 at the time LTIP bonuses are paid to the other participants.
- You will be paid a one-time bonus of \$100,000 in January, 2007.

Quaker Chemical Corporation

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All of the aforementioned bonuses (except for the LTIP bonus, if earned, for the 2004-2006 period) are special bonuses awarded and to be paid outside of Quaker's annual and long term incentive plans. In those cases, the references to those plans are only for purposes of calculating and determining any bonuses earned. Should you die following your Retirement Date, unpaid bonus payments assuming incentive bonuses are earned, will be made to your wife, if living, or otherwise to your estate.

3. Living Expenses

From September 1, 2004, through June 30, 2005, the company will pay the expense of one round-trip flight per month (coach class) between Philadelphia and Savannah, Georgia. For the same period, Quaker will pay half the monthly rent for your local apartment. Since you extended your lease to accommodate a July 1, 2005, retirement date, Quaker will reimburse you for full lease payments through June 30, 2005, should you be terminated before then.

For all other elements related to retirement, such as, for instance, pension, SERP, options, and benefits, the provisions of applicable company plans or contracts will apply. For company benefits related to retirement, you will not be disadvantaged by any change in these provisions made as a matter of policy by Quaker between December 31, 2004 and July 1, 2005.

Should the company be sold and your Change of Control Agreement activated prior to the Retirement Date, none of the considerations enumerated in this letter will apply. If a change of control transaction occurs after the Retirement Date, then you shall be entitled to receive the aforementioned unpaid GAIP and LTIP bonuses only if payment is agreed to, and as calculated, per the terms of the acquisition agreement governing such transaction. Notwithstanding the foregoing, the provisions of your Change of Control Agreement will have no further affect and force following the Retirement Date. Further, of course, Quaker will account for these payments under applicable IRS and accounting rules, and you will be responsible for any personal tax requirements.

I'm pleased, Joe, that we've reached this agreement that serves both our needs. Please sign below where indicated to show your acceptance of this agreement.

Sincerely,

/s/ Ronald J. Naples

Agreed to on March 8, 2005

/s/ Joseph W. Bauer

Joseph W. Bauer