

**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 9, 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 9, 2005, the Board of Directors of Quaker Chemical Corporation (the "Company") approved an amendment to the Company's 2001 Long-Term Performance Incentive Plan (the "2001 Plan") to provide that stock options granted under the 2001 Plan may become exercisable prior to the first anniversary of the date of grant, subject to restrictions on transfer of stock purchased under the option. The amendment is attached hereto as Exhibit 10.1.

On March 9, 2005, the Company's Board of Directors approved the performance criteria and payment targets for cash and stock bonuses for the 2005-07 performance period to be earned by all participants in the Company's 2001 Long-Term Performance Incentive Plan ("LTIP"). Payment of these bonuses is dependent upon the Company's attainment of relative performance on total shareholder return and average return on assets as compared to the S&P SmallCap 600 Materials Group. Payment of up to a maximum of 200% of the bonus opportunity can be earned depending on the level of performance within the referenced peer group. Stock options are also awarded in tandem with the aforementioned cash and stock bonuses under the LTIP and with those options included, total value to be realized by participants is dependent on approximately 48% average return on assets and 52% on shareholder return.

On March 9, 2005, the Company's Board of Directors approved a performance target for stock bonuses to three of the Company's named executive officers to be earned in 2005 under the Company's 2001 Global Annual Incentive Plan. The performance criteria will be reported earnings per share with one-time charges added back. If the target is met, 10,000 shares of restricted stock will be issued to Michael F. Barry and Mark Harris and 7,500 shares of restricted stock will be issued to Wilbert Platzer. The shares will not be transferable (except by will or laws of descent) until March 9, 2008 as to 50% of the award and then another 25% thereafter on each of March 9, 2009 and March 9, 2010.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment One to the Quaker Chemical Corporation 2001 Long-Term Performance Incentive Plan adopted by the Board of Directors on March 9, 2005.
10.2	Form of Stock Option Agreement provided to associates with respect to stock option grants made under the Quaker Chemical Corporation 2001 Long-Term Performance Incentive Plan.

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 15, 2005

By: /s/ RONALD J. NAPLES

Ronald J. Naples
Chairman and
Chief Executive Officer

**AMENDMENT ONE TO THE QUAKER CHEMICAL CORPORATION
2001 LONG-TERM PERFORMANCE INCENTIVE PLAN**

WHEREAS, Quaker Chemical Corporation (the "Company") maintains the Quaker Chemical Corporation 2001 Long-Term Performance Incentive Plan (the "2001 LTIP");

WHEREAS, Section 3.4 of the 2001 LTIP provides that no stock option shall be exercisable prior to the expiration of one year from the date of grant, except in the case of certain corporate transactions; and

WHEREAS, in light of upcoming changes in the accounting rules applicable to options, the Company desires to amend the 2001 LTIP to provide that an option may become exercisable prior to the first anniversary of the date of grant, subject to restrictions on transfer of stock purchased under the option;

NOW, THEREFORE, the first sentence of Section 3.4 of the 2001 LTIP is hereby deleted and replaced by the following, effective February 22, 2005:

3.4 Exercise.

Subject to Sections 3.10 and 6.1, no Stock Option shall be exercisable prior to the expiration of one (1) year from the date it was granted; provided, however, the Committee may, in its discretion, at the time of grant or thereafter, provide that a Stock Option may be exercised prior to the first anniversary of the date of grant provided the Committee imposes reasonable restrictions on transfer of any Common Stock purchased under the Stock Option during a period of not less than one (1) year beginning on the date the Stock Option was granted. Such restrictions shall cease to apply upon the occurrence of an Option Event (as described in Section 3.10) or a reorganization, merger, consolidation or sale (as described in Section 6.1).

*Adopted by the Board of Directors
of Quaker Chemical Corporation
March 9, 2005*

STOCK OPTION AGREEMENT

1. A Stock Option (the "Option") for a total of _____ shares of Common Stock (the "Stock"), par value of \$1.00 per share, of Quaker Chemical Corporation, a Pennsylvania corporation (the "Company") is hereby granted to _____ (the "Optionee") subject to the terms and provisions of the Quaker Chemical Corporation 2001 Long-Term Performance Incentive Plan (the "Plan") insofar as the same are applicable to Stock Options granted thereunder. The terms and provisions of the Plan are incorporated herein by reference.
2. The Option Price as determined by the Compensation/Management Development Committee (the "Committee") which has the authority for administering the Plan for the Company is \$_____ share, having been determined pursuant to Section 3.2 of the Plan, which is equal to 100% of the Fair Market Value (as defined in the Plan) of the Stock on the date of the grant of the Option.
3. Subject to the provisions of Paragraph 4 hereof, the Option may be exercised in whole at any time or in part from time to time on or after June 15, 2005. The Option terminates on the earlier of the date when fully exercised under the provisions of the Plan, the date fixed pursuant to Section 3.8(a), 3.8(b), or 3.8(c) of the Plan, or _____. Notwithstanding any provision to the contrary, following termination of Optionee's employment by the Company or a Subsidiary of the Company for any reason not specified in Sections 3.8(a) or (b) of the Plan, the Option shall not be or become exercisable as to any shares other than those shares as to which the Option shall have been exercisable.
4. The Option may not be exercised if the issuance of the Stock upon such exercise would constitute a violation of any applicable Federal or state securities or other law or valid regulation. Further, exercise of an Option granted pursuant to this Agreement shall be under and subject to Paragraph 3.4 of the Plan.
5. As a condition of exercising this Option, Optionee agrees that any share of Stock acquired upon exercise of this Option shall not be sold, assigned, transferred or otherwise encumbered or disposed of during the Restriction Period. For purposes of this Paragraph, the Restriction Period shall begin on the Grant Date and shall end on the second anniversary of the Grant Date. Upon the occurrence of an Option Event, the foregoing restriction on the transfer of the Stock shall lapse. Notwithstanding the foregoing, prior to the end of the Restriction Period, shares of Stock acquired upon exercise of this Option may be transferred pursuant to will or the laws of descent and distribution. The Company shall not be required (A) to transfer on its books any shares that have been sold or otherwise transferred in violation of this Paragraph, or (B) to treat as owner of such shares, or to accord the right to vote or pay dividends to, any transferee to whom shares have been sold or otherwise transferred in violation of this Paragraph. The Company shall direct its share transfer agent to place a legend on the certificates representing the Stock subject to such transfer restriction, or otherwise note on its records as to the restrictions on transfer set forth in this Paragraph.

6. The Option may not be transferred in any manner other than by will or the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by him/her. The terms of the Option shall be binding upon the executors, administrators, heirs, successors, and assigns of the Optionee.
7. The Option may be exercised only upon payment of the appropriate amount and delivery of the completed "Notice of Exercise," attached hereto, to the Secretary of the Company. Any attempted exercise of the Option without such delivery of the "Notice of Exercise" may be disregarded by the Company. Payment and delivery for the purposes hereof may also be accomplished by making payment and delivery to an agent duly appointed by the Company for the purposes of accepting payment and notice of exercise. Where any such appointment is made, the Company shall so advise Optionee, and Optionee may rely upon such notice until such notice is revoked or amended.
8. Optionee shall have none of the rights of a shareholder with respect to any shares of Stock subject to the Option, except as to the shares with respect to which Optionee has validly exercised the Option granted herein and tendered to the Company the full price therefor.
9. All notices required to be given hereunder shall be mailed by registered or certified mail to the Company to the attention of its Secretary, at One Quaker Park, 901, Hector Street, Conshohocken, Pennsylvania 19428, and to Optionee at Optionee's address as it appears on the Company's books and records unless either of said parties has duly notified the other in writing of a change in address.

QUAKER CHEMICAL CORPORATION

By: _____

D. Jeffry Benoliel

Date of Grant:

Optionee acknowledges receipt of a copy of the Plan, and represents that he/she is familiar with the terms and provisions thereof, and hereby accepts the Option subject to the terms and provisions of the Plan insofar as they relate to Stock Options granted thereunder. Optionee agrees hereby to accept as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions arising under the Plan or the Option. Optionee authorizes the Company to withhold in accordance with applicable law from any compensation payable to him/her any taxes required to be withheld by Federal, state, or local law as a result of the exercise of the Option.

OPTIONEE REPRESENTS THAT, AT THE TIME THE OPTION IS GRANTED, HE/SHE DOES NOT OWN DIRECTLY OR INDIRECTLY (AS DETERMINED UNDER SECTION 424(d) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED), STOCK POSSESSING MORE THAN 10% OF THE TOTAL COMBINED VOTING POWER OF ALL CLASSES OF STOCK OF QUAKER CHEMICAL CORPORATION OR ANY OF ITS SUBSIDIARIES.

By: _____