

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

Date of Report (date of earliest event reported):
December 1, 2006

CHEMED CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

1-8351
(Commission File Number)

31-0791746
(I.R.S. Employer
Identification
Number)

2600 Chemed Center, 255 East 5th Street, Cincinnati, OH 45202
(Address of principal executive offices (Zip Code)

Registrant's telephone number, including area code:
(513) 762-6900

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 (see General Instruction A.2 below):

- 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
230.425)
- Pre-commencement communications pursuant to Rule 14d-2 (b) under the
Exchange Act (17 CFR 230.425)
- Pre-commencement communications pursuant to Rule 13e-4 (c) under the
Exchange Act (17 CFT 230.425)

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Item 5.02(e) Compensatory Arrangements of Certain Officers

Employment Agreements

On December 1, 2006 Chemed Corporation and David P. Williams, its Vice
President and Chief Financial Officer, entered into an Employment Agreement
which provides for an annual base salary of \$313,500. If the Corporation
terminates Mr. Williams's employment without cause, as defined in the agreement,
he shall receive two and one-half times his annual base salary plus a pro-rated
portion of his annual incentive bonus, and shall continue to participate in the
Corporation's welfare benefit plans for eighteen months, in exchange for
one-year post termination noncompete and nonsolicitation covenants.

The Corporation's Board of Directors has authorized the execution of
comparable employment agreements with each of Kevin J. McNamara, its President
and Chief Executive Officer; and Timothy S. O'Toole, its Executive Vice
President and Chief Executive Officer of its Vitas Healthcare Corporation
subsidiary; upon expiration of their existing employment agreements, in May 2008
and May 2007, respectively.

Change in Control Severance Plan

On December 1, 2006 the Compensation/Incentive Committee of the Chemed
Corporation Board of Directors ("CIC") approved the Change in Control Severance
Plan ("Control Plan"). The Control Plan provides severance benefits in the event
of a change in control of the Corporation, followed within two years by
termination of employment without cause, or constructive termination.

The Control Plan covers fifteen employees, including certain executive

officers and directors. It provides for payments of three times base salary and bonus to Kevin J. McNamara, Timothy S. O'Toole, and David P. Williams, and of two times base salary and bonus to the other participants. Participants would also receive welfare benefits, company contributions to defined contribution plans, and perquisites, for periods of three years for Messrs. McNamara, O'Toole and Williams and two years for other participants.

Severance Policy
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On December 1, 2006 the CIC approved the Chemed Senior Executive Severance Policy ("Severance Policy") covering twelve employees, including a director and two executive officers. The Severance Policy provides severance benefits upon termination of employment without cause for employees who do not have employment agreements. Severance consists of a lump sum payment of 1.5 times base salary, pro-rated bonus, and continuation of welfare benefits for one year post termination. Severance is conditioned on execution of a general release including one-year post termination noncompete and nonsolicitation covenants.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

- 10.01 Employment Agreement dated as of December 1, 2006 between Chemed Corporation and David P. Williams.
- 10.02 Chemed Corporation Change in Control Severance Plan.
- 10.03 Chemed Corporation Senior Executive Severance Policy as of December 1, 2006.

SIGNATURES

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

CHEMED CORPORATION

Dated: December 1, 2006

By: /s/ Arthur V. Tucker, Jr.

Arthur V. Tucker, Jr.
Vice President and Controller

EMPLOYMENT AGREEMENT

AGREEMENT made as of the 1st day of December, 2006 by and between David P. Williams, 8677 Emerald Isle, Mason, Ohio 45040 ("Employee"), and Chemed Corporation, a Delaware corporation (the "Company").

WHEREAS, the Company has employed Employee and desires to continue to employ Employee as a senior executive and Employee desires to work for the Company or its subsidiaries in such capacity on the terms and conditions hereinafter provided;

WHEREAS, Employee is a key senior executive of the Company with major responsibilities for planning, directing, coordinating and controlling overall corporate operations;

WHEREAS, in such capacity Employee will develop or have access to all or substantially all of the business methods and confidential information relating to the Company, including but not limited to, its financial performance and results, its product formulae, its manufacturing organization and methods, its product research and development policies and programs, its service techniques, its purchasing organization and methods, its sales organization and methods, its pricing of products, its market development and expansion plans, its personnel policies and training and development programs, and its customer and supplier relationships; and franchising programs and franchisee relationships;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

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1. EMPLOYMENT

ss.1.1 Position and Duties.

(a) The Company agrees to employ Employee and Employee agrees to work for the Company as a senior financial executive. Employee shall have such duties and authority as are normally associated with his office. While employed hereunder, Employee shall devote his full time, effort, skill and attention to the affairs of the Company. During the term of his employment hereunder, Employee shall not render any services to any other person that might be in competition with the Company or any of its subsidiaries or affiliates or in conflict with his position as a senior executive of the Company or his duty of undivided loyalty to the Company.

ss.1.2 Term. Unless sooner terminated in accordance with the provisions hereof, the term of employment shall commence on December 1, 2006 and shall continue until November 30, 2008. This agreement shall automatically extend thereafter on each anniversary of the commencement date for additional one-year periods unless either party delivers written notice thirty days in advance of such anniversary of the party's intent not to extend this agreement.

2. COMPENSATION

ss.2.1 Base Salary. While employed hereunder the Company shall pay Employee a base salary at an annual rate of \$313,500.00 or such higher amount or amounts as the Company may from time to time approve. The base salary shall be due and payable at the same times and intervals at which salary payments are made to other senior executives.

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ss.2.2 Incentive Compensation. Employee will be entitled to participate in all incentive compensation and bonus plans as such have been maintained by the Company for its senior executives generally. The Employee's annual incentive compensation will be payable, with respect to each calendar year, on or before February 28 in the following year.

ss.2.3 Employee Benefits. Employee shall be entitled to participate in those "fringe" benefit plans which the Company provides for its executives generally. Employee's participation in such plans will be in accordance with and subject to the terms and provisions thereof.

ss.2.4 Pension. Employee will continue to participate in Chemed's Excess Benefit Plan in accordance with and subject to its provisions.

ss.2.5 Miscellaneous.

(a) Company will pay or reimburse Employee for his reasonable business expenses in accordance with Company policies.

(b) Employee will be entitled to paid vacation in accordance with current Company policy. Employee will be entitled to payment for unused vacation time in accordance with Company policy.

(c) Subject to ss.1.1(a) of this Agreement, compliance with applicable laws relating to interlocking directorships, the Company's policies on conflicts of interest and improper payments and accounting records contained in the Company's "Policies on Business Ethics" and "Corporate Governance Principles" and to any other current applicable Company policy, during the term of Employee's employment hereunder, Employee will be permitted to accept election, and to serve as, a director of other entities. Employee will be permitted to retain all fees and other benefits resulting from his service as a director of any such entity.

(d) Each party shall pay their own legal fees incurred in connection with any enforcement of rights under this Agreement. All disputes arising hereunder shall be subject to arbitration according to the rules of the American Arbitration Association. The Company and Employee shall share equally in any third party costs of such arbitration.

3. TERMINATION.

ss.3.1 Termination of Employment. The employment of Employee shall terminate prior to the expiration of the term specified in ss.1.2 upon the occurrence of any of the following prior to such time:

(a) The death of Employee;

(b) The termination of Employee's employment due to Employee's disability pursuant to ss.3.2;

(c) The termination by the Company of Employee's employment for Cause pursuant to ss.3.3;

(d) The retirement of Employee under a retirement plan of the Company; or

(e) The resignation of Employee.

The termination by the Company of Employee's employment hereunder for any reason other than those specified in this ss.3.1 shall hereinafter be referred to as a termination "Without Cause".

ss.3.2 Disability. If, by reason of physical or mental disability, Employee is unable to carry out his duties pursuant to this Agreement for four (4) consecutive months, his services hereunder may be terminated by the Company upon two (2) months' written notice to be given to Employee at any time after the period of four (4) continuous months of disability and while such disability continues. If, prior to the expiration of the two (2) months after the giving of such notice, Employee shall recover from such disability and return to the active discharge of his duties, then such notice shall be of no further force and effect and Employee's employment shall continue as if such disability had not occurred. If Employee shall not so recover from his disability and return to his duties, then his services shall terminate at the expiration date of such two (2) months' notice. During the period of Employee's disability and until the expiration date of such two (2) months' notice, Employee shall continue to receive all compensation and other benefits provided herein as if he had not been disabled, at the time, in the amounts and in the manner provided herein. In the event a dispute arises between Employee and the Company concerning Employee's physical or mental ability to continue or return to the performance of his duties as aforesaid, Employee shall submit to examination by a competent physician mutually agreeable to both parties, and such physician's opinion as to Employee's ability to so perform will be final and binding.

ss.3.3 For Cause. The Company may, at any time by written notice to the Employee, terminate his services hereunder for Cause. Such notice shall specify the event or events and the actions or failure to act constituting Cause. "Cause" shall mean, with respect to a Employee's termination of employment: (a) the willful and repeated failure of the Employee to perform substantially the Employee's duties with Company (other than any such failure resulting from incapacity due to physical or mental illness); (b) the Employee's conviction of, or plea of guilty or nolo contendere to, which through lapse of time or otherwise is not subject to appeal, a felony which is materially and demonstrably injurious to Company; or (c) the Employee's engagement in willful gross misconduct or gross negligence in connection with his or her employment.

If the basis for discharge is pursuant to paragraph (c) above, Employee shall have thirty (30) days from his receipt of the notice of termination for Cause to cure, if curable, the actions or failure to act specified in such notice and, in the event of any such cure within such period, such conduct shall not constitute Cause hereunder.

ss.3.4 Consequences of Termination.

(a) If Employee's employment hereunder shall terminate pursuant to any of the provisions of this Article 3, his base salary and incentive compensation referred to in ss.ss. 2.1 and 2.2 shall cease to accrue forthwith.

(b) If the Company shall terminate Employee's employment hereunder Without Cause, the Company shall pay Employee a lump sum amount in cash on termination equal to two and one-half times his then annual base salary plus a lump sum amount in cash on termination equal to the product of: (i) the average amount of the Employee's annual incentives under the Company's annual incentive plan paid

or payable for the last three full fiscal years prior to termination; and (ii) a fraction, the numerator of which is the number of days in the fiscal year through the date of termination and the denominator of which is 365. Employee shall also be eligible to participate in the Company's welfare benefits plans such as health insurance, life insurance, long-term care insurance and long-term disability benefits plans for eighteen months following termination, at the then current employee contribution rates; provided that if the Employee is precluded from continuing his or her participation in any applicable plan, program, or arrangement, the Employee shall be provided with the after-tax cost of continuation of such coverage, including premiums under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, ("COBRA Premiums"), for the Employee with respect to the benefits provided under such plan, program, or arrangement, paid as either a lump sum payment or monthly as COBRA Premiums are due, at the discretion of the Company. If the Employee becomes reemployed with another employer and is eligible to receive health insurance, life insurance, long-term care insurance or long-term disability coverage under another employer-provided plan (regardless of whether the Employee elects such coverage), the welfare benefits provided pursuant to this agreement shall be secondary to those provided under such other plan.

(c) In the event that Employee's employment hereunder shall terminate pursuant to any of the provisions of this Article 3, the rights of Employee under any incentive compensation plan referred to in ss.2.2, under the executive

or employee benefit plans or arrangements referred to in ss.2.3 and ss.2.4, or otherwise shall be determined, subject to this Article 3, in accordance with the terms and provisions of such plans, arrangements and options applicable to an employee whose employment has terminated in the manner that occurred, except that a termination Without Cause shall be treated as a retirement under a retirement plan of the Company for the purposes of the Company stock incentive plans.

(d) If the Employee's employment hereunder shall terminate pursuant to ss.3.1(a), (b), or (d), the Company shall pay Employee in lieu of any amounts that may be due and payable under the Company's annual incentive plan for the fiscal year of termination a lump sum amount in cash on termination equal to the product of: (i) the average amount of the Employee's annual incentives under the Company's annual incentive plan paid or payable for the last three full fiscal years prior to termination; and (ii) a fraction, the numerator of which is the number of days in the fiscal year through the date of termination and the denominator of which is 365.

(e) If the Employee's employment hereunder shall terminate pursuant to ss.3.1(e) or if the Company shall terminate Employee's employment hereunder with Cause pursuant to ss.3.1(c), Employee's annual incentive bonus shall then be forfeited.

(f) Employee shall not be required to offset against amounts due from the Company under this Article 3 for any salary, bonus or other benefits (other than welfare benefits described above) received by Employee from a third-party, and Employee shall be under no duty to mitigate by seeking or accepting another

position. Any amounts paid or benefits received under this agreement are conditioned upon execution of a waiver of liability in favor of the Company executed by Employee, in the form approved by the Company's counsel.

4. OTHER COVENANTS OF EMPLOYEE.

ss.4.1 Employee shall have no right, title or interest in any reports, studies, memoranda, correspondence, manuals, records, plans, or other written, printed or otherwise recorded materials of any kind belonging to or in the possession of the Company or its subsidiaries, or in any copies, pictures, duplicates, facsimiles or other reproductions, recordings, abstracts or summaries thereof and Employee will promptly surrender to the Company any such materials (other than materials which have been published or otherwise have lawfully been made available to the public generally) in his possession upon the termination of his employment or any time prior thereto upon request of the Company.

ss.4.2 Without the prior written consent of the Company, Employee shall not at any time (whether during or after his employment with the Company) use for his own benefit or purposes or for the benefit or purposes of any other person, firm, partnership, association, corporation or business organization, entity or enterprise, or disclose (except in the performance of his duties hereunder) in any manner to any person, firm, partnership, association, corporation or business organization, entity or enterprise, or disclose (except in the performance of his duties hereunder) in any manner to any person, firm, partnership, association, corporation or business organization, entity or enterprise, any trade secret, or other confidential or proprietary information,

data, know-how or knowledge (including, but not limited to, that relating to financial policies, product composition, manufacturing organization and methods, research and development policies and programs, service techniques, purchasing organization and methods, sales organization and methods, product pricing, market development and expansion plans, personnel policies and training and development programs, customer and supplier relationships) belonging to, or relating to the affairs of, the Company or its subsidiaries.

ss.4.3 Employee shall promptly disclose to the Company (and to no one else) all improvements, discoveries and inventions that may be of significance to the Company or its subsidiaries made or conceived alone or in conjunction with others (whether or not patentable, whether or not made or conceived at the request of or upon the suggestion of the Company during or out of his usual hours of work or in or about the premises of the Company or elsewhere) while in the employ of the Company, or made or conceived within six months after the termination of his employment by the Company, if resulting from, suggested by or relating to such employment. All such improvements, discoveries and inventions shall, to the extent that they are patentable, be the sole and exclusive property of the Company and are hereby assigned to the Company. At the request of the Company and at its cost and without liability to Employee, Employee shall assist the Company, or any person or persons from time to time designated by it, in obtaining the grant of patents in the United States and/or in such other country or countries as may be designated by the Company covering such improvements, discoveries and inventions and shall be connection therewith

execute such applications, statements or other documents, furnish such information and data and take all such other action (including, but not limited to, the giving of testimony) as the Company may from time to time request.

ss.4.4 For a period of one year following Company's termination of Employee's employment hereunder Without Cause, in the event Employee has agreed to accept payment under Section 3.4(b) hereof: (i) Employee shall not directly, or indirectly, as a stockholder owing beneficially or of record more than 5% of the outstanding shares of any class of stock of any issuer, or as an officer, director, employee, consultant, partner, joint venturer, proprietor, or otherwise, engage in or become interested in any business that directly or indirectly is in competition with the Company or any of its subsidiaries (or any of their successors) as conducted at the time of Employee's termination, (ii) Employee shall not, without the prior written consent of the Company, solicit or hire or induce the termination of employment of any employee or other personnel providing services to the Company, or any of its subsidiaries, for any business activity, and (iii) Employee shall not, without the prior written consent of the Company, solicit the business of any customer of the Company or any of its subsidiaries (or any of their successors).

ss.4.5 The obligations of Employee set forth in this Article 4 are in addition to and not in limitation of any obligations which would otherwise exist as a matter of law. The provisions of this Article 4 shall survive the termination of Employee's employment hereunder.

5. CERTAIN REMEDIES

ss.5.1 Breach by the Company. In the event that the Company shall fail, in any material respect, to observe and perform its obligations hereunder, the Employee may give written notice to the Company specifying the nature of such failure. If within thirty (30) days after its receipt of such notice the Company shall not have remedied such failure, the Employee shall have the right and option to treat such failure as termination of his employment by the Company Without Cause, to cease rendering services hereunder and thereafter to receive the severance benefits and have the other rights and obligations provided for in Article 3 hereof in the case of a termination by the Company Without Cause. The remedy provided for in this ss.5.1 shall be in addition to and not in limitation of any other remedies which would otherwise exist as a matter of law.

ss.5.2 Breach by the Employee. Employee acknowledges and agrees that the Company's remedy at law for any breach of any of Employee's obligations under ss.ss.1.1(a), 4.1, 4.2, 4.3 and 4.4 would be inadequate, and agrees and consents that temporary and permanent injunctive relief may be granted in any proceeding that may be brought to enforce any provision of any such sections, without the necessity of proof of actual damage.

6. GENERAL PROVISIONS

ss.6.1 Representations and Warranties. Employee represents and warrants to the Company that he is free to enter into this Agreement and that he has no prior or other obligations or commitments of any kind to anyone that would in

any way hinder or interfere with his acceptance of, or the full, uninhibited and faithful performance of, his employment hereunder or the exercise of his best efforts as an employee of the Company.

ss.6.2 Understandings; Amendments. Except as otherwise provided herein, this Agreement sets forth the entire agreement and understanding of the parties concerning the subject matter hereof and supersedes all prior agreements, arrangements and understandings between Employee and the Company concerning such subject matter. No representation, promise, inducement or statement of intention has been made by or on behalf of either party hereto that is not set forth in this Agreement or the documents referred to herein. This Agreement may not be amended or modified except by a written instrument specifically referring to this Agreement executed by the parties hereto.

ss.6.3 Notices.

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and may either be delivered personally to the addressee or be mailed, registered mail, postage prepaid, as follows:

If to the Company:

Chemed Corporation
2600 Chemed Center
Cincinnati, OH 45202
Attn: President

with a copy to:

Secretary
Chemed Corporation
2600 Chemed Center
Cincinnati, OH 45202

If to Employee:

8677 Emerald Isle
Mason, Ohio 45040

(b) Either party may change the address to which any such notices or communications are to be directed to it by giving written notice to the other party in the manner provided in the preceding paragraph (a).

ss.6.4 Assignments; Binding Effect.

(a) Employee acknowledges that the services to be rendered by him are unique and personal. Accordingly, Employee may not assign any of his rights or delegate any of his duties or obligations under this Agreement. This Agreement shall be binding upon, and to the extent herein permitted shall inure to the benefit of, Employee's heirs, legatees and legal representatives.

(b) The Company may not assign this Agreement or its rights hereunder except to a successor of all or substantially all of the business and assets of the Company. This Agreement shall be binding upon, and shall inure to the benefit of, the Company's successors and permitted assigns.

ss.6.5 Severability. If any part of this Agreement shall be unenforceable under applicable law, it shall not affect the remaining parts of this Agreement.

ss.6.6 Waivers. The failure of either party hereto at any time or from time to time to require performance of any of the other party's obligations under this agreement shall in no manner affect the right to enforce any provision of this Agreement at a subsequent time, and the waiver of any rights arising out of

any breach shall not be construed as a waiver of any rights arising out of any subsequent breach.

ss.6.7 Application of Section 409A of the Internal Revenue Code.

In the event that any payment or benefit to the Employee or for the Employee's benefit paid or payable or distributed or distributable under this Agreement ("Payment"), would be subject to the excise tax imposed by Section 409A of the Code, or any interest or penalties are incurred by the Employee with respect to such excise tax (collectively, "Excise Tax"), the Employee will be entitled to receive an additional payment ("Gross-Up Payment") in an amount such that after payment by the Employee of all taxes (including any income or payroll tax, interest or penalties imposed with respect to such taxes and the Excise Tax, other than interest and penalties imposed by reason of the Employee's failure to file timely a tax return or pay taxes shown due on the Employee's return, and including any Excise Tax imposed upon the Gross-Up Payment), the Employee retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

An initial determination as to whether and in what amount a Gross-Up Payment is required will be made at the Company's expense by an accounting firm of recognized national standing selected by the Company ("Accounting Firm"). The Accounting Firm will provide its determination ("Determination"), together with detailed supporting calculations and documentation, to the Company and the Employee within five days of the Date of Termination, if applicable, or such other time as requested by the Company or by the Employee (provided the Employee reasonably believes that any of the Payments may be subject to the Excise Tax). If the Accounting Firm determines that no Excise Tax is payable by the Employee with respect to a Payment or Payments, it will furnish the Employee an opinion

reasonably acceptable to the Employee that no Excise Tax will be imposed. Within 10 days of the delivery of the Determination, the Employee will have the right to dispute the Determination (the "Dispute"). The Gross-Up Payment, if any, as determined pursuant to this Section will be paid by the Company to the Employee within 5 days of the receipt of the Determination. The existence of the Dispute will not in any way affect the Employee's right to receive the Gross-Up Payment in accordance with the Determination. If there is no Dispute, the Determination will be binding upon the Company and the Employee, subject to the following paragraph.

As a result of uncertainty in the application of Section 409A of the Code, it is possible that a Gross-Up Payment will be paid which should not be paid ("Excess Payment") or that a Gross-Up Payment which should be paid will not be paid ("Underpayment"). An Underpayment will be deemed to have occurred (i) upon notice to the Employee from any governmental taxing authority that the Employee's tax liability (whether in respect of the Employee's current taxable year or in respect of any prior taxable year) may be increased by reason of the imposition of the Excise Tax on a Payment or Payments with respect to which the Company has failed to make a sufficient Gross-Up Payment, (ii) upon a determination by a court, (iii) by reason of a determination by the Company (which will include the position taken by the Company on its federal income tax return) or (iv) upon the resolution of the Dispute to the Employee's satisfaction. If an Underpayment occurs, the Employee will promptly notify the Company and the Company will promptly, but in any event at least 5 days prior to

the date on which the applicable government taxing authority has requested payment, pay to the Employee an additional Gross-Up Payment equal to the amount of the Underpayment plus any interest and penalties (other than interest and penalties imposed by reason of the Employee's failure to file timely a tax return or pay taxes shown due on the Employee's return) imposed on the Underpayment.

An Excess Payment will be deemed to have occurred upon a Final Determination (as hereinafter defined) that the Excise Tax will not be imposed upon a Payment or Payments (or portion thereof) with respect to which the Employee had previously received a Gross-Up Payment. A "Final Determination" will be deemed to have occurred when the Employee has received from the applicable government taxing authority a refund of taxes or other reduction in the Employee's tax liability by reason of the Excise Payment and upon either (x) the date a determination is made by, or an agreement is entered into with, the applicable governmental taxing authority which finally binds the Employee and such taxing authority, or if a claim is brought before a court, the date a final determination has been made by such court and either all appeals have been finally resolved or the time for all appeals has expired or (y) the statute of limitations with respect to the Employee's applicable tax return has expired. If an Excess Payment is determined to have been made, the Employee will pay to the Company (but not less than 10 days after the determination of such Excess Payment and written notice has been delivered to the Employee) the amount of the Excess Payment plus interest at an annual rate equal to the Applicable Federal Rate provided for in Section 1274(d) of the Code from the date the Gross-Up

Payment was paid until the date of repayment. The Employee will use reasonable cooperative efforts at the request of the Company to assist in the determination of the amount of any Excess Payment or Underpayment made to the Employee pursuant to this Plan.

ss.6.8 Governing Law. This Agreement, the rights and obligations hereunder, and any related claims shall be governed by and construed in accordance with the laws of the State of Ohio.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written hereinabove.

CHEMED CORPORATION

By: /s/ Kevin J. McNamara

Kevin J. McNamara, President
and Chief Executive Officer

EMPLOYEE

/s/ David P. Williams

David P. Williams

CHEMED CORPORATION
CHANGE IN CONTROL SEVERANCE PLAN

ARTICLE I
ESTABLISHMENT OF PLAN

As of the Effective Date, the Company (as such term is hereinafter defined) hereby establishes the Chemed Corporation Change in Control Severance Plan, as set forth in this document.

ARTICLE II
PURPOSE

Chemed Corporation, by means of this Change in Control Severance Plan, desires to provide Participants (as such term is hereinafter defined) with certain severance protections in the event of a Change in Control of the Company (as both terms are hereinafter defined) in order to minimize the personal financial concerns and to promote the best interests of the Company and any successor.

ARTICLE III
DEFINITIONS

As used herein, the following words and phrases shall have meanings set forth below (unless the context clearly indicates otherwise):

3.1 "Administrative Committee" shall mean the Compensation/Incentive Committee of the Board of Directors or such other committee as determined by the Board of Directors.

3.2 "Affiliate" shall mean an entity directly or indirectly controlled by, controlling, or under common control with the Company.

3.3 "Annual Bonus" shall mean the average of the amounts of the Participant's bonuses under an Employer's annual bonus plan paid or payable for the last three full fiscal years prior to the Change in Control Date, or if more favorable to the Participant, the Date of Termination. The amount shall include any annual bonus or portion thereof which has been earned but deferred, and in the event that the Participant was not employed by an Employer for the whole of a particular fiscal year and such amount received by the Participant was reduced pro-rata to reflect this fact, the amount shall be annualized.

3.4 "Base Salary" shall mean the amount a Participant is entitled to receive from an Employer in cash as wages or salary on an annualized basis in consideration for his or her services, including any such amounts which may have been deferred, but excluding all other elements of compensation such as, without limitation, any bonus, commissions, overtime, health benefits, perquisites, and incentive compensation.

3.5 "Beneficiary" shall mean those designated by the Participant, or if not so designated:

(a) with respect to a Participant who was married at the time of death, his or her surviving spouse; and

(b) with respect to a Participant who was not married at the time of death, the legal representative of the Participant's estate under the laws of the state of the Participant's domicile at the time of death.

3.6 "Board" shall mean the Board of Directors of the Company.

3.7 "Cause" shall mean, with respect to a Participant's termination of employment: (a) the willful and repeated failure of the Participant to perform substantially the Participant's duties with an Employer (other than any such failure resulting from incapacity due to physical or mental illness); (b) the Participant's conviction of, or plea of guilty or nolo contendere to, which through lapse of time or otherwise is not subject to appeal, a felony which is materially and demonstrably injurious to an Employer; or (c) the Participant's

engagement in willful gross misconduct or gross negligence in connection with his or her employment.

3.8 "Change in Control" shall mean the first to occur of any of the following events after the Effective Date:

(a) the direct or indirect acquisition by any person, corporation, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the "Exchange Act")) (a "Person") of the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either the then outstanding capital stock of the Company ("Outstanding Capital Stock") or the combined voting power of the then outstanding voting securities of the Company entitled to vote in the election of members of the Board ("Outstanding Voting Securities") in a single transaction or series of transactions; provided, however, that the following acquisitions shall not constitute a Change in Control:

(i) an acquisition from the Company or an Affiliate;

(ii) an acquisition by the Company or an Affiliate;

(iii) an acquisition by an employee benefit plan or related trust sponsored or maintained by the Company or an Affiliate; or

(iv) an acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii), and (iii) of Subsection (c) of this Section 3.8;

(b) Individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided, however, that any individual becoming a Board member subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the Board members then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this

purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of Board members or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) the consummation of a reorganization, merger, consolidation, or similar transaction to which the Company is a party (a "Business Combination"), unless following such Business Combination: (i) the Company is the surviving corporation of such Business Combination, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan or related trust of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then outstanding capital stock or the combined voting power of the then outstanding voting securities entitled to vote in the election of members of the board, as the case may be, of the corporation resulting from such Business Combination, except to the extent that such ownership existed prior to such Business Combination; and (iii) individuals who were members of the Incumbent Board constitute at least a majority of the members of the board of the corporation resulting from such Business Combination;

(d) the approval by the shareholders of the Company of a plan for the complete liquidation or dissolution of the Company or the sale of all or substantially all of the assets of the Company; or

(e) any other transaction that the Administrative Committee deems to be a Change in Control, which the Administrative Committee can deem to apply to all Participants or only those Participants it selects.

3.9 "Change in Control Date" shall mean the date on which a Change in Control occurs.

3.10 "Company" shall mean Chemed Corporation and any successor thereto.

3.11 "Date of Termination" shall mean the date on which a Participant's employment with all Employers terminates.

3.12 "Disability" shall mean, with respect to a Participant's termination of employment due to Disability: (a) a disability entitling the Participant to long-term disability benefits under the applicable long-term disability plan of the Company or an Affiliate or such other long-term disability plan under which the Participant is entitled to long-term disability benefits; or (b) if the Participant is not covered by such a plan, a physical or mental condition or illness that renders a Participant totally and permanently incapable of performing the Participant's duties for the Company or an Affiliate for a total of 180 days or more during any consecutive 12-month period.

3.13 "Effective Date" shall mean December 1, 2006.

3.14 "Employee" shall mean any full-time employee of an Employer.

3.15 "Employer" shall mean the Company or any of its Affiliates.

3.16 "Good Reason" shall mean, with respect to any Participant, the occurrence of any of the following events after a Change in Control Date, or prior to a Change in Control Date if any such events can be reasonably demonstrated to have occurred in connection with, or in anticipation of, a Change in Control:

(a) a material diminution in the nature and scope of the Participant's responsibilities, authorities, powers, functions, or duties from the most significant of those responsibilities, authorities, powers, functions, or duties exercised by, and assigned to, the Participant at any time during the 120-day period prior to the Change in Control Date, other than an isolated, insubstantial, and inadvertent action not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant;

(b) a reduction in the Participant's Base Salary below the Required Base Salary, other than an isolated, insubstantial, and inadvertent reduction not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant;

(c) a reduction in bonus under any current or subsequent annual bonus plan available to the Participant below the average of the Participant's bonuses under an Employer's annual bonus plan for the last three full fiscal years prior to the Change in Control Date;

(d) a reduction in equity-based or other long-term incentive compensation opportunity below that in effect for the Participant during the 120-day period prior to the Change in Control Date;

(e) a reduction in the aggregate level of employee benefits offered to the Participant in comparison to the most favorable of such employee benefit programs and arrangements in effect for the Participant during the 120-day period prior to the Change in Control Date, other than any across-the-board reduction applicable to all Employees and other than an isolated, insubstantial, and inadvertent reduction not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant;
or

(f) a change at the request of an Employer in the Participant's principal work location to a work location that is more than 50 miles from any location where the Participant was based during the 120-day period prior to the Change in Control Date, or an Employer's requiring the Participant to travel on Employer business to a substantially greater extent than required during the 120-day period prior to the Change in Control Date; or

(g) receipt of notice of Company's intention to cancel or not renew any employment agreement of a Tier 1 Participant during the first year following a Change in Control.

3.17 "Participant" shall mean an Employee who is designated in Appendix A hereto to participate in the Plan or who may be added to such appendix from time to time by the Administrative Committee.

3.18 "Plan" shall mean the Chemed Corporation Change in Control Severance Plan.

3.19 "Required Base Salary" shall mean, with respect to any Participant, the higher of: (a) the Participant's highest Base Salary as in effect during the 120-day period prior to the Change in Control Date; and (b) the Participant's highest Base Salary in effect at any time thereafter.

3.20 "Severance Benefits" shall mean the payments and benefits provided in accordance with Section 6.2 of the Plan.

3.21 "Severance Period" shall mean a period beginning on the Date of Termination with a duration in years equal to the severance multiple the Participant is entitled to receive under Section 6.2(a).

ARTICLE IV
ADMINISTRATION

4.1 Administration. Subject to the express provisions of the Plan, the Administrative Committee shall have the authority to interpret the Plan, to prescribe, amend, and rescind rules and regulations relating to it, and to make all other determinations deemed necessary or advisable for the administration of the Plan. The determinations of the Administrative Committee pursuant to its authority under the Plan shall be conclusive and binding.

ARTICLE V
DURATION OF PARTICIPATION

5.1 Duration of Participation. A Participant shall cease to be a Participant in the Plan when he or she no longer is an Employee of any Employer. Notwithstanding the foregoing, a Participant who is entitled, as a result of ceasing to be an Employee of an Employer, to receipt of Severance Benefits or any other amounts under the Plan shall remain a Participant in the Plan until the full amount of the Severance Benefits and any other amounts payable under the Plan have been paid to the Participant.

ARTICLE VI
SEVERANCE BENEFITS

6.1 Right to Severance Benefits.

(a) Terminations Which Give Rise to Severance Benefits. A Participant shall be entitled to receive Severance Benefits as provided in Section 6.2, if a Change in Control has occurred and the Participant's employment with an Employer is terminated under the following circumstances: (i) by action of the Employer, unless the termination is for Cause; or (ii) by action of the Participant within 90 days after the occurrence of an event constituting Good Reason; provided, in either event, that (x) such termination occurs after such Change in Control and on or before the second anniversary thereof, or (y) the termination described in clause (i) above or the event constituting Good Reason giving rise to the termination described in clause (ii) above, as applicable, occurs before such Change in Control but the Participant can reasonably demonstrate that such termination or event, as applicable, occurred in connection with, or in anticipation of, a Change in Control. Severance Benefits or any other amounts

otherwise payable to a Participant under the Plan shall be conditioned upon execution of a general release of claims in favor of the Company in a form satisfactory to the Company's counsel.

(b) Terminations Which Do Not Give Rise to Severance Benefits. If a Participant's employment is terminated: (i) by an Employer for Cause; (ii) due to the Participant's death or Disability; or (iii) by the Participant other than for Good Reason, the Participant shall not be entitled to the Severance Benefits under the Plan, regardless of the occurrence of a Change in Control.

6.2 Severance Benefits.

(a) In General. If a Participant's employment is terminated in circumstances entitling him or her to Severance Benefits as provided in Section 6.1(a), the Company shall pay such Participant (or in the event of a Participant's death following entitlement to Severance Benefits, his or her Beneficiary), an amount equal to three times for Tier 1 Participants and two times for Tier 2 Participants, the sum of the Participant's: (i) Required Base Salary; and (ii) Annual Bonus. In addition, Participant shall receive an amount equal to the product of the Participant's: (x) Annual Bonus; and (ii) a fraction, the numerator of which is the number of days in the fiscal year through the Date of Termination and the denominator of which is 365, if such termination occurs in a fiscal year other than the fiscal year of the Change in Control. All such payments shall be made in a lump sum in cash within 10 days after the Date of Termination. Regardless of termination, a Participant shall receive an amount equal to the Participant's Annual Bonus within 10 days after the Change in Control Date.

(b) Payment shall be made in a lump sum in cash.

(c) Welfare Benefits; Retirement Plans; Perquisites. In addition, a Participant entitled to Severance Benefits pursuant to Section 6.1(a) will continue to be provided with health insurance, life insurance, long-term care insurance and long-term disability benefits comparable to the benefits provided to the Participant immediately prior to the Date of Termination, or if more favorable to the Participant, the Change in Control, for the duration of the Severance Period, with no increase in the Employee's contribution rate on the Date of Termination (without giving effect to any rate increase after the Change in Control which constitutes or may constitute Good Reason); provided that if the Participant is precluded from continuing his or her participation in any applicable plan, program, or arrangement, the Participant shall be provided with the after-tax cost of continuation of such coverage, including premiums under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, ("COBRA Premiums"), for the Participant with respect to the benefits provided under such plan, program, or arrangement, paid as either a lump sum payment or monthly as COBRA Premiums are due, at the discretion of the Administrative Committee. Any benefits so provided shall not be considered a continuation of coverage as provided under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended. A Participant entitled to Severance Benefits pursuant to Section 6.1(a) shall also receive a lump sum payment in cash within 10 days after the Change in Control equal to the Employer contributions that would have been made on the Participant's behalf pursuant to the Company's qualified and non-qualified defined contribution retirement plans, assuming continued participation on the same basis as immediately prior to the Date of Termination, or if more favorable

to the Participant, the Change in Control, which the Participant would have received if the Participant's employment had continued during the Severance Period, assuming that the Participant's compensation for each year during such period is as in effect immediately prior to the Date of Termination, or if more favorable to the Participant, the Change in Control, and that the Employer contributions are determined pursuant to the applicable plans as in effect immediately prior to the Date of Termination, or if more favorable to the Participant, the Change in Control. A Participant entitled to Severance Benefits pursuant to Section 6.1(a) will continue to be provided with perquisites comparable to those provided to the Participant immediately prior to the Date of Termination, or if more favorable to the Participant, the Change in Control, for the duration of the Severance Period. If the Participant becomes reemployed with another employer and is eligible to receive health insurance, life insurance, long-term care insurance or long-term disability coverage under another employer-provided plan (regardless of whether the Participant elects such coverage), the health insurance, life insurance, and long-term disability benefits provided pursuant to this section shall be secondary to those provided under such other plan during the applicable period of eligibility.

(d) Equity Vesting. In the event of a Change in Control (whether or not a Participant's employment terminates): (i) any unvested portions of stock awards or options granted under the Company's equity-based plans shall become fully vested upon the Change in Control; and (ii) any shares then unallocated under the Company's equity-based plans shall then be allocated and distributed to such plan's participants by the Compensation/Incentive Committee of the Company's Board of Directors upon the Change in Control.

(e) Outplacement. A Participant entitled to Severance Benefits under Section 6.1(a) shall be entitled to receive outplacement assistance at an agency of his or her choice, in an amount not to exceed \$25,000.00

6.3 Certain Additional Payments by the Company.

(a) In the event that any payment or benefit to the Participant or for the Participant's benefit paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise in connection with, or arising out of, the Participant's employment with an Employer or a change in ownership or effective control of the Company or of a substantial portion of its assets (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code or any tax imposed by Section 409A of the Code, or any interest or penalties are incurred by the Participant with respect to such tax (such tax, together with any such interest and penalties, are hereinafter collectively referred to herein as the "Excise Tax"), then the Participant will be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Participant of all taxes (including any income, payroll, interest or penalties imposed with respect to such taxes and the Excise Tax, other than interest and penalties imposed by reason of the Participant's failure to file timely a tax return or pay taxes shown due on the Participant's return, and including any Excise Tax imposed upon the Gross-Up Payment), the Participant retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) An initial determination as to whether a Gross-Up Payment is required pursuant to this Plan and the amount of such Gross-Up Payment will be made at the Company's expense by an accounting firm of recognized national standing selected by the Company (the "Accounting Firm"). The Accounting Firm will provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and the Participant

within five days of the Date of Termination, if applicable, or such other time as requested by the Company or by the Participant (provided the Participant reasonably believes that any of the Payments may be subject to the Excise Tax). If the Accounting Firm determines that no Excise Tax is payable by the Participant with respect to a Payment or Payments, it will furnish the Participant with an opinion reasonably acceptable to the Participant that no Excise Tax will be imposed with respect to any such Payment or Payments. Within 10 days of the delivery of the Determination to the Participant, the Participant will have the right to dispute the Determination (the "Dispute"). The Gross-Up Payment, if any, as determined pursuant to this Section 6.3(b) will be paid by the Company to the Participant within 5 days of the receipt of the Determination. The existence of the Dispute will not in any way affect the Participant's right to receive the Gross-Up Payment in accordance with the Determination. If there is no Dispute, the Determination will be binding, final and conclusive upon the Company and the Participant, subject to the application of Section 6.3(c).

(c) As a result of uncertainty in the application of Sections 280G, 409A, and 4999 of the Code, it is possible that a Gross-Up Payment (or a portion thereof) will be paid which should not be paid (an "Excess Payment") or that a Gross-Up Payment (or a portion thereof) which should be paid will not be paid (an "Underpayment"). An Underpayment will be deemed to have occurred (i) upon notice (formal or informal) to the Participant from any governmental taxing authority that the Participant's tax liability (whether in respect of the Participant's current taxable year or in respect of any prior taxable year) may be increased by reason of the imposition of the Excise Tax on a Payment or Payments with respect to which the Company has failed to make a sufficient Gross-Up Payment, (ii) upon a determination by a court, (iii) by reason of a determination by the Company (which will include the position taken by the Company on its federal income tax return) or (iv) upon the resolution of the Dispute to the Participant's satisfaction. If an Underpayment occurs, the Participant will promptly notify the Company and the Company will promptly, but in any event at least 5 days prior to the date on which the applicable government taxing authority has requested payment, pay to the Participant an additional Gross-Up Payment equal to the amount of the Underpayment plus any interest and penalties (other than interest and penalties imposed by reason of the Participant's failure to file timely a tax return or pay taxes shown due on the Participant's return) imposed on the Underpayment. An Excess Payment will be deemed to have occurred upon a Final Determination (as hereinafter defined) that the Excise Tax will not be imposed upon a Payment or Payments (or portion thereof) with respect to which the Participant had previously received a Gross-Up Payment. A "Final Determination" will be deemed to have occurred when the Participant has received from the applicable government taxing authority a refund of taxes or other reduction in the Participant's tax liability by reason of the Excise Payment and upon either (x) the date a determination is made by, or an agreement is entered into with, the applicable governmental taxing authority which finally and conclusively binds the Participant and such taxing authority, or in the event that a claim is brought before a court of competent jurisdiction, the date upon which a final determination has been made by such court and either all appeals have been taken and finally resolved or the time for all appeals has expired or (y) the statute of limitations with respect to the Participant's applicable tax return has expired. If an Excess Payment is determined to have been made, the Participant will pay to the Company (but not

less than 10 days after the determination of such Excess Payment and written notice has been delivered to the Participant) the amount of the Excess Payment plus interest at an annual rate equal to the Applicable Federal Rate provided for in Section 1274(d) of the Code from the date the Gross-Up Payment (to which the Excess Payment relates) was paid to the Participant until the date of repayment to the Company. The Participant will use reasonable cooperative efforts at the request of the Company to assist in the determination of the amount of any Excess Payment or Underpayment made to the Participant pursuant to this Plan.

6.4 Other Benefits Payable. The Severance Benefits provided pursuant to Section 6.2 above shall be provided in addition to, and not in lieu of, all other accrued or vested or earned but deferred compensation, rights, stock options, or other benefits which may be owed to a Participant by an Employer, with the exception of payments to be made under employment agreements for Tier 1 Participants.

6.5 Payment Obligations Absolute. The obligations of the Company to pay the Severance Benefits described in Section 6.2 shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense, or other right which the Company or any Affiliate may have against any Participant. In no event shall a Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to a Participant under any of the provisions of this Plan, nor shall the amount of any payment hereunder be reduced by any compensation earned by a Participant as a result of employment by another employer, except with respect to the welfare benefits as provided under Section 6.2(c).

ARTICLE VII
SUCCESSOR TO COMPANY

This Plan shall bind any successor of the Company, its assets, or its businesses (whether direct or indirect, by purchase, merger, consolidation, or otherwise), in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place. In the case of any transaction in which a successor would not, by the foregoing provision or by operation of law, be bound by this Plan, the Company shall require such successor expressly and unconditionally to assume and agree to perform the Company's obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The term "Company," as used in this Plan, shall mean the Company as hereinbefore defined and any successor or assignee to the business or assets which by reason hereof becomes bound by this Plan.

ARTICLE VIII
AMENDMENT, AND TERMINATION

8.1 Amendment and Termination. The Plan may be terminated or amended in any respect by resolution adopted by a majority of the Administrative Committee, unless a Change in Control has previously occurred. However, after the Administrative Committee has knowledge of a transaction or event that, if consummated, would constitute a Change in Control, this Plan may not be terminated or amended in any manner which would adversely affect the rights or potential rights of Participants, unless and until the Administrative Committee

has determined that such potential Change in Control has been abandoned and will not be consummated, and the Administrative Committee does not have knowledge of another transaction or event that, if consummated, would constitute a Change in Control. If a Change in Control occurs, the Plan shall no longer be subject to amendment or termination in any respect which adversely affects the rights of Participants.

8.2 Form of Amendment. The form of any amendment or termination of the Plan shall be a written instrument signed by a duly authorized officer or officers of the Company, certifying that the amendment or termination has been approved by the Administrative Committee. An amendment of the Plan in accordance with the terms hereof shall automatically effect a corresponding amendment to all Participants' rights hereunder. A termination of the Plan, subject to the terms hereof, shall automatically effect a termination of all Participants' rights and benefits hereunder.

ARTICLE IX
MISCELLANEOUS

9.1 Legal Fees and Expenses, Arbitration. Each party shall pay their own legal fees incurred in connection with any enforcement of rights under this Plan. Disputes arising under this Plan shall be subject to arbitration according to the rules of the American Arbitration Association. The Company and Participant shall share equally any third party costs of such arbitration.

9.2 Employment Status. This Plan does not constitute a contract of employment or impose on a Participant's Employer any obligation to retain the Participant as an Employee, to change the status of the Participant's employment, or to change the Company's policies or those of its Affiliates regarding termination of employment.

9.3 Validity and Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.4 . Waiver. The Company's or a Participant's failure to insist upon strict compliance with any provision of this Plan or the failure to assert any right the Company or a Participant may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Plan.

9.5 Governing Law. The validity, interpretation, construction, and performance of the Plan shall in all respects be governed by the laws of the State of Ohio, without reference to its principles of conflict of law.

9.6 Claims Procedure. If an Employee or former Employee makes a written request alleging a right to receive benefits under the Plan or alleging a right to receive an adjustment in benefits being paid under the Plan, the Company shall treat it as a claim for benefits. All claims for Severance Benefits under the Plan shall be sent to the Legal Department of the Company and must be received within 30 days after the Date of Termination. If the Company determines that any individual who has claimed a right to receive Severance Benefits under the Plan is not entitled to receive all or any part of the benefits claimed, it

will inform the claimant in writing of its determination and the reasons therefor in terms calculated to be understood by the claimant. The notice will be sent within 30 days of the written request, unless the Company determines additional time, not exceeding 45 days, is needed. The notice shall make specific reference to the pertinent Plan provisions on which the denial is based, and describe any additional material or information that is necessary. Such notice shall, in addition, inform the claimant what procedure the claimant should follow to take advantage of the review procedures set forth below in the event the claimant desires to contest the denial of the claim. The claimant may, within 90 days thereafter, submit in writing to the Company a notice that the claimant contests the denial of his or her claim by the Company and desires a further review. The Company shall, within 30 days thereafter, review the claim and authorize the claimant to appear personally and review pertinent documents and submit issues and comments relating to the claim to the persons responsible for making the determination on behalf of the Company. The Company will render its final decision with specific reasons therefor in writing and will transmit it to the claimant within 30 days of the written request for review, unless the Company determines additional time, not exceeding 45 days, is needed, and so notifies the Participant. If the Company fails to respond to a claim filed in accordance with the foregoing within 30 days or any such extended period, the Company shall be deemed to have denied the claim.

9.7 Indemnification of Administrative Committee. No member or agent of the Administrative Committee shall be personally liable for any action, determination, or interpretation made with respect to the Plan, and each member of the Administrative Committee shall be indemnified by the Company to the fullest extent permitted by applicable law and the governing instruments of the Company.

9.8 Unfunded Plan Status. This Plan is intended to be an unfunded plan. All payments pursuant to the Plan shall be made from the general funds of the Company, and no special or separate fund shall be established or other segregation of assets made to assure payment. No Participant or other person shall have under any circumstances any interest in any particular property or assets of the Company as a result of participating in the Plan. Notwithstanding the foregoing, the Company may (but shall not be obligated to) create one or more grantor trusts, the assets of which are subject to the claims of the Company's creditors, to assist it in accumulating funds to pay its obligations under the Plan.

9.9 Tax Withholding. Any payment provided for hereunder shall be paid net of any applicable tax withholding required under federal, state, local, or foreign law.

9.10 Nonalienation of Benefits. Except as otherwise specifically provided herein, amounts payable under the Plan shall not be subject to any manner of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, including any liability which is for alimony or other payments for the support of a spouse or former spouse, or for any other relative of a Participant, prior to actually being received by the person entitled to payment under the terms of the Plan. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, garnish, execute, or levy upon, otherwise dispose of any right to amounts payable hereunder, shall be null and void.

9.11 Facility of Payment.

(a) If a Participant is declared an incompetent, and a conservator, guardian, or other person legally charged with his or her care has been appointed, any Severance Benefits to which such Participant is entitled may be paid to such conservator, guardian, or other person legally charged with his or her care;

(b) If a Participant is declared an incompetent and a conservator, guardian, or other person charged with his or her care has not been appointed, the Administrative Committee may: (i) require the appointment of a conservator or guardian; (ii) distribute any Severance Benefits to which such Participant is entitled to his or her spouse, with respect to a Participant who is married, or to such other relative of an unmarried Participant for the benefit of such Participant; or (iii) distribute any Severance Benefits to which such Participant is entitled directly to or for the benefit of such Participant.

9.12 Gender and Number. Except when the context indicates to the contrary, when used herein masculine terms shall be deemed to include the feminine, and the plural shall be deemed to include the singular.

9.13 Headings. The headings of Articles and Sections are included solely for convenience of reference and are not to be used in the interpretation of the provisions of the Plan.

9.14 Equity-Based Plans. No provision hereunder is intended to restrict acceleration of any interests granted under equity-based plans of the Company, in accordance with the terms of said plans.

Appendix A to Chemed Corporation
Change in Control Severance Plan

Participant Designation

Tier 1

1. K. J. McNamara
2. D. P. Williams
3. T. S. O'Toole

Tier 2

4. T. C. Hutton
5. N. C. Dallob
6. A. V. Tucker
7. T. J. Reilly
8. L. A. Dittman
9. S. S. Lee
10. R. L. Arquilla
11. G. H. Sander
12. R. P. Goldschmidt
13. D. Lawe
14. P. Pettit
15. D. A. Wester

CHEMED CORPORATION
SENIOR EXECUTIVE SEVERANCE POLICY

Chemed Corporation hereby establishes the Chemed Corporation Senior Executive Severance Policy ("the Policy").

1. PARTICIPATION. Participants in the Policy shall consist of those officers designated from time to time on Attachment A to this Policy by the Compensation/Incentive Committee of the Board of Directors, as may be approved by the Board of Directors. The Compensation/Incentive Committee and/or the Board shall have the ability to add or remove Participants at its discretion.

2. TERMINATION OF EMPLOYMENT.

ss.2.1 Termination of Employment. The employment of a Participant shall terminate upon the occurrence of any of the following:

(a) The death of the Participant;

(b) The termination of the Participant's employment due to the Participant's disability pursuant to ss.2.2;

(c) The termination by the Company of the Participant's employment for Cause pursuant to ss.2.3;

(d) The retirement of the Participant under a retirement plan of the Company; or

(e) The resignation of the Participant.

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The termination by the Company of the Participant's employment for any reason other than those specified in this ss.2.1 shall hereinafter be referred to as a termination "Without Cause".

ss.2.2 Disability. If, by reason of physical or mental disability, the Participant is unable to carry out his or her duties pursuant to this Policy for four (4) consecutive months, the Participant's may be terminated by the Company upon two (2) months' written notice to be given to the Participant at any time after the period of four (4) continuous months of disability and while such disability continues. If, prior to the expiration of the two (2) months after the giving of such notice, the Participant shall recover from such disability and return to the active discharge of his or her duties, then such notice shall be of no further force and effect and the Participant's employment shall continue as if such disability had not occurred. If the Participant shall not so recover from his or her disability and return to his or her duties, then the Participant's services shall terminate at the expiration date of such two (2) months' notice. In the event a dispute arises between the Participant and the Company concerning the Participant's physical or mental ability to continue or return to the performance of his or her duties as aforesaid, the Participant shall submit to examination by a competent physician mutually agreeable to both parties, and such physician's opinion as to the Participant's ability to so perform will be final and binding.

ss.2.3 For Cause. The Company may, at any time by written notice to the Participant, terminate his or her services for Cause. Such notice shall specify the event or events and the actions or failure to act constituting Cause.

"Cause" shall mean, with respect to a Participant's termination of employment:

(a) the willful and repeated failure of the Participant to perform substantially

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the Participant's duties with Company (other than any such failure resulting from incapacity due to physical or mental illness); (b) the Participant's conviction of, or plea of guilty or nolo contendere to, which through lapse of time or otherwise is not subject to appeal, a felony which is materially and demonstrably injurious to Company; or (c) the Participant's engagement in willful gross misconduct or gross negligence in connection with his or her employment.

If the basis for discharge is pursuant to paragraph (c) above, the Participant shall have thirty (30) days from receipt of the notice of termination for Cause to cure, if curable, the actions or failure to act specified in such notice and, in the event of any such cure within such period, such conduct shall not constitute Cause hereunder.

ss.2.4 Consequences of Termination.

(a) If the Participant's employment shall terminate pursuant to any of the provisions of this Article 2, the Participant's base salary and all incentive compensation shall cease to accrue forthwith.

(b) If the Company shall terminate the Participant's employment without Cause, the Company shall pay the Participant a lump sum amount in cash equal to one and one-half times the Participant's then annual base salary plus a lump sum amount in cash equal to the product of: (i) the average amount of the Participant's annual incentives under the Company's annual incentive plan paid or payable for the last three full fiscal years prior to termination; and (ii) a

fraction, the numerator of which is the number of days in the fiscal year through the date of termination and the denominator of which is 365. The Participant shall also be eligible to participate in the Company's welfare benefits plans such as health insurance, life insurance, long-term care insurance, and long-term disability benefits plans for twelve months following termination, at the then current employee contribution rates; provided that if the Participant is precluded from continuing his or her participation in any applicable plan, program, or arrangement, the Participant shall be provided with the after-tax cost of continuation of such coverage, including premiums under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, ("COBRA Premiums"), for the Participant with respect to the benefits provided under such plan, program, or arrangement, paid as either a lump sum payment or monthly as COBRA Premiums are due, at the discretion of the Company. If the Participant becomes reemployed with another employer and is eligible to receive health insurance, life insurance, long-term care insurance or long-term disability coverage under another employer-provided plan (regardless of whether the Participant elects such coverage), the welfare benefits provided pursuant to this Policy shall be secondary to those provided under such other plan.

(c) In the event that the Participant's employment shall terminate pursuant to any of the provisions of this Article 2, the rights of the Participant under any incentive compensation plan of the Company, under any executive or employee benefit plans or arrangements, or otherwise shall be determined, subject to this Article 2, in accordance with the terms and provisions of such plans, arrangements and options applicable to an employee whose employment has terminated in the manner that occurred, except that a termination Without Cause shall be treated as a retirement under a retirement plan of the Company for the purposes of the Company stock incentive plans.

(d) If the Participant's employment shall terminate pursuant to ss.2.1(a), (b), or (d), the Company shall pay the Participant in lieu of any amounts that may be due and payable under the Company's annual incentive plan for the fiscal year of termination a lump sum amount in cash equal to the product of: (i) the average amount of the Participant's annual incentives under the Company's annual incentive plan paid or payable for the last three full fiscal years prior to termination; and (ii) a fraction, the numerator of which is the number of days in the fiscal year through the date of termination and the denominator of which is 365.

(e) If the Participant's employment shall terminate pursuant to ss.2.1(e) or if the Company shall terminate Participant's employment with Cause pursuant to ss.2.1(c), Participant's annual incentive bonus shall then be forfeited.

(f) Participant shall not be required to offset against amounts due from the Company under this Article 2 for any salary, bonus or other benefits (other than welfare benefits described above) received by the Participant from a third-party, and the Participant shall be under no duty to mitigate by seeking or accepting another position.

(g) Any amounts paid or benefits received under this Policy are conditioned upon execution of a waiver of liability in favor of the Company executed by the Participant, in the form approved by the Company's counsel.

(h) Any amounts paid or benefits received under this Policy are also conditioned, other than a termination under Section 2.1(a), upon execution of the following in a form approved by the Company's counsel: (i) an agreement

prohibiting directly or indirectly publishing or disclosing any confidential information of the Company or any of its affiliates, or using such confidential information for the Participant's own use or making it available to others; (ii) a one-year post termination non-compete agreement under which the Participant will not directly or indirectly engage in or become interested in any business providing or arranging for any products or services that directly or indirectly are in competition with the Company or any of its subsidiaries; and (iii) an agreement prohibiting solicitation during such one-year period of the employment of any employees or other personnel providing services to the Company or any of its subsidiaries or soliciting the business of any customer of the Company or any of its subsidiaries.

3. APPLICATION OF SECTION 409A OF THE INTERNAL REVENUE CODE. In the event that any payment or benefit to the Participant or for the Participant's benefit paid or payable or distributed or distributable under this Policy ("Payment"), would be subject to the excise tax imposed by Section 409A of the Internal Revenue Code ("Code"), or any interest or penalties are incurred by the Participant with respect to such excise tax (collectively, "Excise Tax"), the Participant will be entitled to receive an additional payment ("Gross-Up Payment") in an amount such that after payment by the Participant of all taxes (including any income or payroll tax, interest or penalties imposed with respect to such taxes and the Excise Tax, other than interest and penalties imposed by reason of the Participant's failure to file timely a tax return or pay taxes shown due on the Participant's return, and including any Excise Tax imposed upon the Gross-Up Payment), the Participant retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

An initial determination as to whether and in what amount a Gross-Up Payment is required will be made at the Company's expense by an accounting firm of recognized national standing selected by the Company ("Accounting Firm"). The Accounting Firm will provide its determination ("Determination"), together with detailed supporting calculations and documentation, to the Company and the Participant within five days of the date of termination, if applicable, or such other time as requested by the Company or by the Participant (provided the Participant reasonably believes that any of the Payments may be subject to the Excise Tax). If the Accounting Firm determines that no Excise Tax is payable by the Participant with respect to a Payment or Payments, it will furnish the Participant an opinion reasonably acceptable to the Participant that no Excise Tax will be imposed. Within 10 days of the delivery of the Determination, the Participant will have the right to dispute the Determination (the "Dispute"). The Gross-Up Payment, if any, as determined pursuant to this Section will be paid by the Company to the Participant within 5 days of the receipt of the Determination. The existence of the Dispute will not in any way affect the Participant's right to receive the Gross-Up Payment in accordance with the Determination. If there is no Dispute, the Determination will be binding upon the Company and the Participant, subject to the following paragraph.

As a result of uncertainty in the application of Section 409A of the Code, it is possible that a Gross-Up Payment will be paid which should not be paid ("Excess Payment") or that a Gross-Up Payment which should be paid will not be

paid ("Underpayment"). An Underpayment will be deemed to have occurred (i) upon notice to the Participant from any governmental taxing authority that the Participant's tax liability (whether in respect of the Participant's current taxable year or in respect of any prior taxable year) may be increased by reason of the imposition of the Excise Tax on a Payment or Payments with respect to which the Company has failed to make a sufficient Gross-Up Payment, (ii) upon a determination by a court, (iii) by reason of a determination by the Company (which will include the position taken by the Company on its federal income tax return) or (iv) upon the resolution of the Dispute to the Participant's satisfaction. If an Underpayment occurs, the Participant will promptly notify the Company and the Company will promptly, but in any event at least 5 days prior to the date on which the applicable government taxing authority has requested payment, pay to the Participant an additional Gross-Up Payment equal to the amount of the Underpayment plus any interest and penalties (other than interest and penalties imposed by reason of the Participant's failure to file timely a tax return or pay taxes shown due on the Participant's return) imposed on the Underpayment.

An Excess Payment will be deemed to have occurred upon a Final Determination (as hereinafter defined) that the Excise Tax will not be imposed upon a Payment or Payments (or portion thereof) with respect to which the Participant had previously received a Gross-Up Payment. A "Final Determination" will be deemed to have occurred when the Participant has received from the

applicable government taxing authority a refund of taxes or other reduction in the Participant's tax liability by reason of the Excise Payment and upon either (x) the date a determination is made by, or an agreement is entered into with, the applicable governmental taxing authority which finally binds the Participant and such taxing authority, or if a claim is brought before a court, the date a final determination has been made by such court and either all appeals have been finally resolved or the time for all appeals has expired or (y) the statute of limitations with respect to the Participant's applicable tax return has expired. If an Excess Payment is determined to have been made, the Participant will pay to the Company (but not less than 10 days after the determination of such Excess Payment and written notice has been delivered to the Participant) the amount of the Excess Payment plus interest at an annual rate equal to the Applicable Federal Rate provided for in Section 1274(d) of the Code from the date the Gross-Up Payment was paid until the date of repayment. The Participant will use reasonable cooperative efforts at the request of the Company to assist in the determination of the amount of any Excess Payment or Underpayment made to the Participant pursuant to this Policy.

4. LEGAL FEES AND EXPENSES, ARBITRATION. Each party shall pay their own legal fees incurred in connection with any enforcement of rights under this Policy. All disputes arising hereunder shall be subject to arbitration according to the rules of the American Arbitration Association. The Company and the Participant shall share equally in any third party costs of such arbitration.

5. GOVERNING LAW. This Policy, the rights and obligations hereunder, and any related claims shall be governed by and construed in accordance with the laws of the State of Ohio.

Senior Executives

1. T. C. Hutton
2. N. C. Dallob
3. A. V. Tucker
4. T. J. Reilly
5. L. A. Dittman
6. S. S. Lee
7. R. L. Arquilla
8. G. H. Sander
9. R. P. Goldschmidt
10. D. Lawe
11. P. Pettit
12. D. A. Wester