
**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): February 29, 2016

ADDUS HOMECARE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34504
(Commission
File Number)

20-5340172
(IRS Employer
Identification Number)

2300 Warrenville Rd.
Downers Grove, IL
(Address of principal executive offices)

60515
(Zip Code)

630-296-3400
(Registrant's telephone number, including area code)

N/A
(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))
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Item 1.01. Entry into a Material Definitive Agreement

Dirk Allison Employment Agreement

Effective February 29, 2016 (the “Effective Date”), Addus HealthCare, Inc. (“Addus HealthCare”), a wholly-owned subsidiary of Addus HomeCare Corporation (the “Company”), entered into an Employment and Non-Competition Agreement with R. Dirk Allison (the “Employment Agreement”), which sets forth the terms and conditions of Mr. Allison’s employment as President and Chief Executive Officer.

The Employment Agreement has a term of four years commencing on the Effective Date (the “Initial Employment Term”). At the end of the Initial Employment Term, the Employment Agreement will renew for successive one year terms unless earlier terminated pursuant to the terms of the Employment Agreement.

Pursuant to the Employment Agreement, Mr. Allison is entitled to an annual base salary of \$500,000 and, subject to the terms and conditions of a bonus plan that may be approved by the Company’s Board of Directors, is eligible to receive (i) an annual stock-based bonus in an amount equal to up to 75% of his annual base salary and (ii) an annual cash-based bonus in an amount up to 105% of his annual base salary, in each case depending on the achievement of certain objectives and target levels determined by the Compensation Committee of the Company’s Board of Directors. Mr. Allison is also entitled to participate in Addus HealthCare’s health, disability, vacation and 401(k) plans, with matching contributions by Addus HealthCare of up to 6% of Mr. Allison’s annual contribution.

In connection with his employment, on January 21, 2016, Mr. Allison was granted nonqualified stock options pursuant to the Company’s 2009 Stock Incentive Plan (the “Stock Incentive Plan”) to purchase 150,000 shares of the Company’s common stock, par value \$0.001 per share (“Common Stock”). The options vest over a four year period subject to the terms and conditions set forth in the Stock Incentive Plan and the Nonqualified Stock Option Award Agreement, dated as of January 21, 2016, between the Company and Mr. Allison. The options are exercisable at the fair market value of the Company’s Common Stock on the date of grant. In addition, on January 21, 2016, Mr. Allison was granted 10,000 shares of restricted Common Stock. The restricted Common Stock vests over a four year period subject to the terms and conditions of the Stock Incentive Plan and the Restricted Stock Award Agreement, dated as of January 21, 2016, between the Company and Mr. Allison.

If Mr. Allison’s employment is terminated with “reasonable cause” (as defined in the Employment Agreement), by reason of his death or disability or by Mr. Allison without “good reason” (as defined in the Employment Agreement), he will be entitled to receive (i) any unpaid base salary for the period prior to the date of termination, (ii) any unpaid benefits for the period prior to the date of termination and (iii) in the case of termination by reason of death or disability, eligibility for disability insurance benefits contemplated by the Employment Agreement.

If (a) Mr. Allison’s employment is terminated without reasonable cause or for good reason, subject to the conditions set forth in the Employment Agreement, he will be entitled to receive his “base cash compensation” (as defined in the Employment Agreement) payable in equal installments for twenty four months following termination, or (b) Mr. Allison’s employment is terminated without reasonable cause in connection with a “change in control” (as defined in the Employment Agreement), he will be entitled to receive his “annual cash compensation” (as defined in the Employment Agreement) for twenty four months following termination, less any other severance amounts received pursuant to the foregoing clause (a). In either case, Mr. Allison will also be entitled to receive (i) any unpaid base salary for the period prior to the date of termination, (ii) a pro rata portion of his bonus, (iii) any unpaid benefits for the period prior to the date of termination and (iv) continuation of all benefits during such period (subject to early termination as provided in the Employment Agreement).

Pursuant to the Employment Agreement, Mr. Allison has agreed that during the Initial Employment Term and any extension thereof, and for two years following termination, Mr. Allison will not compete with the business of Addus HealthCare or certain of its affiliates or solicit any business from any customer thereof. The Employment Agreement also prohibits Mr. Allison from disclosing any confidential information of Addus HealthCare and certain of its affiliates. Mr. Allison has agreed to assign all inventions developed during the employment period to Addus HealthCare. Mr. Allison has also agreed not to disparage Addus HealthCare or certain of its affiliates.

This summary is qualified in its entirety by reference to the full text of the Employment Agreement attached hereto as Exhibit 99.1 and incorporated by reference herein.

Mark Heaney Separation Agreement

As previously reported in a Current Report on Form 8-K filed by the Company on January 22, 2016, on January 18, 2016, Mark Heaney ceased serving as the President and Chief Executive Officer of the Company, and as Chairman of its Board of Directors. On March 1, 2016, the Company and Mr. Heaney entered into a Separation Agreement (the "Separation Agreement"), pursuant to which, among other things, Mr. Heaney agreed to resign from the Company's board of directors and from the board of directors of each of the Company's subsidiaries effective January 18, 2016. Pursuant to the Separation Agreement, conditioned upon his strict compliance with the restrictive covenants set forth in the Separation Agreement regarding non-competition, non-solicitation, non-disclosure, non-disparagement and other matters, Mr. Heaney is entitled to severance payments in an aggregate amount equal to his annual base salary of \$413,600 payable over three years, and a bonus amount with respect to the Company's 2015 annual bonus program. Pursuant to the Separation Agreement, Mr. Heaney executed a general release in favor of the Company.

This summary is qualified in its entirety by reference to the full text of the Separation Agreement attached hereto as Exhibit 99.2 and incorporated by reference herein.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Departure of Mark S. Heaney

As disclosed about in Item 1.01, pursuant to Mr. Heaney's Separation Agreement, Mr. Heaney agreed to resign from the Company's board of directors and from the board of directors of each of the Company's subsidiaries effective as of January 18, 2016. He also ceased serving as Chairman of the Company's board of directors on January 18, 2016.

Appointment of R. Dirk Allison

Also effective January 18, 2016, R. Dirk Allison, a member of the Company's Board of Directors, was appointed as the Company's President and Chief Executive Officer. Mr. Allison, age 59, has served as member of the Company's Board of Directors since October 2010 and was Chairman of the Company's Audit Committee from 2013 until his appointment as President and CEO. In connection with his appointment as President and CEO, Mr. Allison resigned his positions as a member of the Audit Committee and the Nominating and Corporate Governance Committee of the Company's Board of Directors, but remains a member of the Company's Board of Directors. From July 2013 until January 2015, Mr. Allison served as a director of Curo Health Services. From October 2011 to August 2014, Mr. Allison served as the President and Chief Executive Officer of Correctional Healthcare Companies. Prior to joining Correctional Healthcare Companies, Mr. Allison served as the President and Chief Executive Officer of CCS Medical from March 2011 until May 2013. Prior to joining CCS Medical, Mr. Allison served as Senior Vice President, Chief Financial Officer and Treasurer of Odyssey Healthcare, Inc., a provider of hospice in the United States. Odyssey was a publicly traded NASDAQ company prior to its August 2010 acquisition by Gentiva Health Services, Inc. Prior to joining Odyssey in 2006, Mr. Allison was Executive Vice President and Chief Financial Officer of Omniflight, Inc., a privately held operator of aviation support services to the healthcare industry. Prior to Omniflight, Mr. Allison served for approximately three and a half years as Executive Vice President and Chief Financial Officer of Ardent Health Services LLC, a privately held operator of acute care and behavioral care hospitals, and for approximately four years as Executive Vice President, Chief Financial Officer and Treasurer of Renal Care Group, Inc., which was a publicly traded operator of dialysis centers. Between 1987 and 1999, Mr. Allison served as President and Chief Executive Officer of several publicly and privately held healthcare companies, including a physician practice management company and several institutional pharmacy providers. Mr. Allison earned a master's degree in business administration at the University of Dallas and his BBA at the University of Louisiana at Monroe (formerly Northeast Louisiana University) and is a Certified Public Accountant (CPA).

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits:

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Employment and Non-Competition Agreement, effective February 29, 2016, by and between Addus HealthCare, Inc. and R. Dirk Allison |
| 99.2 | Separation Agreement and General Release, dated as of March 1, 2016, by and between Addus HomeCare Corporation and Mark S. Heaney |

SIGNATURES

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.

ADDUS HOMECARE CORPORATION

Dated: March 2, 2016

By: /s/ Donald Klink
Name: Donald Klink
Title: Chief Financial Officer

EMPLOYMENT AND NON-COMPETITION AGREEMENT

This EMPLOYMENT AND NON-COMPETITION AGREEMENT (this "Agreement") is effective as of February 29, 2016 (the "Effective Date"), by and between Addus HealthCare, Inc., an Illinois corporation (the "Company"), and R. Dirk Allison, an individual domiciled in the State of Texas (the "Executive").

WHEREAS, the Company, its parent and its subsidiaries (collectively, the "Addus HealthCare Group") provide home care services to individuals, county and state governments, health maintenance organizations, independent physician associations, insurance companies, facilities, other business purchasers of such services, and to the general public at large.

WHEREAS, the Company desires to employ the Executive as its President and Chief Executive Officer, and the parties hereto desire to enter this Agreement to secure the Executive's employment, all on the terms and conditions set forth herein.

WHEREAS, by virtue of the Executive's employment by the Company pursuant to the terms hereof, the Executive will obtain and become familiar with certain valuable confidential and proprietary information relating to the Addus HealthCare Group, its customers and employees.

WHEREAS, the Company desires to protect the goodwill and all proprietary rights and information of the Addus HealthCare Group.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties hereto, intending to be legally bound, agree as follows:

1. Effectiveness; Term of Employment.

- (a) This Agreement shall automatically become effective on the Effective Date provided the Executive commences employment on such date; otherwise, this Agreement shall automatically terminate on the Effective Date and shall be deemed never to have become effective.
- (b) The Company hereby employs the Executive, and the Executive hereby accepts employment by the Company, for the period commencing as of the Effective Date and ending on the fourth (4th) anniversary of the Effective Date, or on such earlier date as provided pursuant to the terms and conditions of this Agreement (the "Initial Employment Term"). At the end of the Initial Employment Term, this Agreement shall automatically renew for successive one (1) year terms (each, as may be earlier terminated pursuant to the terms and conditions of this Agreement, an "Additional Employment Term" and, together with the Initial Employment Term, as may be earlier terminated pursuant to the terms and conditions of this Agreement, the "Employment Term"), unless either party provides notice to the other of its or his intention not to renew this Agreement at least one hundred eighty (180) days prior to the expiration of the Initial Employment Term or any Additional Employment Term (a "Non-Renewal"). During the Employment Term, the Executive shall

(i) devote substantially all of his professional time, loyalty and efforts to discharge his duties hereunder on a timely basis; (ii) use his best efforts to loyally and diligently serve the business and affairs of the Addus HealthCare Group; and (iii) endeavor in all respects to promote, advance and further the Addus HealthCare Group's interests in all matters. The parties agree that the provision should not be construed as limiting Executive's right to serve on boards of, or otherwise engage in activities on behalf of, charitable and civic organizations or other entities that do not compete with the business of the Company and that do not interfere with Executive's duties hereunder in any material respect.

2. Employment Duties.

During the Employment Term, the Company will employ the Executive as its President and Chief Executive Officer, a senior executive position that reports directly to the Board of Directors (the "Board of Directors") of Addus HomeCare Corporation ("Addus HomeCare"). The Executive's principal duties and responsibilities shall be to oversee and direct the operations of the Addus HealthCare Group including the management, marketing and delivery of home care and adult day care services and the performance of such other executive duties and responsibilities as may be assigned to him by the Board of Directors and are consistent with the Executive's position as President and Chief Executive Officer of the Company.

3. Compensation.

The Company will pay the Executive as follows during the Employment Term:

- (a) **Base Salary.** Commencing on the Effective Date of this Agreement, the Company shall pay the Executive a base salary at the annual rate of Five Hundred Thousand Dollars (\$500,000), which shall be paid in accordance with the normal payroll practices of the Company and shall be subject to applicable withholdings and deductions. Thereafter, the Executive's base salary shall be subject to review and adjustment upward by the compensation committee (the "Compensation Committee") of the Board of Directors on or about each anniversary of the Effective Date for each year during the Employment Term (as adjusted from time-to-time, the "Base Salary").
- (b) **Incentive Plans.** The Executive, at the discretion of the Compensation Committee, shall be eligible (but not entitled) to receive an annual bonus in accordance with Exhibit A hereto. The Compensation Committee, at its sole discretion, may determine the amount of the annual bonus, if any, to which the Executive may become entitled based on the quantitative and qualitative factors described on Exhibit A or any other factors the Compensation Committee may deem appropriate from time to time. All amounts payable pursuant to this Section 3(b), if any, shall be paid within no more than thirty (30) days after completion of Addus HomeCare's audited financial statements for the most recently completed fiscal year and shall be subject to applicable withholdings and deductions. Bonus is not salary and is earned on the day it

is paid. To be eligible to receive any cash based or equity based bonus, the Executive must be actively employed and must not have given notice of termination on or prior to such date of payment.

- (c) **Incentive Equity Awards.** On January 21, 2016, in consideration of his agreement to serve as the Company's Chief Executive Officer, the Executive was granted (i) a nonqualified stock option under Addus HomeCare's 2009 Stock Incentive Plan (the "2009 Incentive Plan") to purchase 150,000 shares of Addus HomeCare's common stock, par value \$0.001 per share ("Common Stock"), and (ii) 10,000 restricted shares of Common Stock under the 2009 Incentive Plan.

4. Expenses.

It is recognized that the Executive in the performance of his duties hereunder will be required to expend sums for travel (e.g., airfare, automobile rental, etc.), entertainment and lodging. During the Employment Term, the Company shall reimburse the Executive for reasonable business expenses incurred by him during the Employment Term in connection with the performance of his duties hereunder conditioned upon and subject to the Company's established policies and procedures, including written receipt from the Executive of an itemized accounting in accordance with the Company's regular business expense verification practices. Such policies shall also be in effect for frequent travel by the Executive to the Company's Corporate Center which it is agreed shall be as needed and commensurate with the Executive's duties and responsibilities during his employment hereunder; such time spent onsite at the Corporate Center may vary from time to time depending on the Executive's tenure and the results of the Company.

5. Benefits.

During the Employment Term, the Executive shall be entitled to benefits under such plans, programs or arrangements as the Board of Directors may establish or maintain from time to time for similarly-situated employees, and in accordance with its policies, which may change at the sole discretion of the Board of Directors. Benefits as of the Effective Date are:

- (a) Four (4) weeks paid vacation during each year of employment. Subject to the Company's established policies and procedures, vacation may be carried over to a subsequent year of employment, not to exceed eight (8) weeks during any calendar year of employment.
- (b) Five (5) days personal/sick leave per year, with pay. Personal/sick days may be carried over to a subsequent year of employment, not to exceed ten (10) days during any calendar year of employment.
- (c) Six (6) Company holidays, plus two (2) floating holidays, per year.
- (d) Coverage beginning on the Effective Date under the health benefit plan provided by the Company to its executives, which may change, at the sole discretion of the Board of Directors, from time to time. The Company will cover the Executive and his dependents, if any, during the Employment Term to the same extent and according to the same terms as the Company's other executives are covered.

- (e) Short-term and long-term disability insurance beginning on the Effective Date to the same extent and according to the same terms as the Company's other similarly-situated executives are covered, which may change, at the sole discretion of the Board of Directors, from time to time.
- (f) Tuition reimbursement shall be available for courses relevant to the Executive's position and taken at an accredited institution, subject to prior approval by the Board of Directors.
- (g) Participation in the Company's 401(k) plan up to the defined Internal Revenue Service limit beginning 30 days after the Effective Date. The Company will annually match 6% of the Executive's annual contribution to such plan during the Employment Term, subject to the Company's established policies and procedures.

6. Termination by Company.

- (a) The Company may terminate the Executive's employment hereunder at any time for Reasonable Cause. The term "Reasonable Cause" shall be limited to the following:
 - (i) A material breach or omission by the Executive of any of his duties or obligations under this Agreement (except due to Disability, as defined below) that the Executive shall fail to cure after receipt of written notice of such breach or omission from the Board of Directors, which notice shall designate a reasonable period of time, if curable at all, of not less than ten (10) days within which the breach or omission must be cured to the satisfaction of the Board of Directors in order to prevent a termination for Reasonable Cause; *provided, however,* that the Executive shall only be permitted the opportunity to cure such breaches or omissions a total of two times in any twelve (12)-month rolling period;
 - (ii) The Executive shall willfully engage in any action that materially damages, or that may reasonably be expected to materially damage, the Addus HealthCare Group or the business or goodwill thereof;
 - (iii) The Executive shall breach his fiduciary duty to the Addus HealthCare Group;
 - (iv) The Executive shall commit any act involving fraud, the misuse or misappropriation of money or other property of the Addus HealthCare Group, a felony, habitual use of drugs or other intoxicants or chronic absenteeism;
 - (v) Gross negligence or willful misconduct by the Executive;

(vi) The Executive shall commit acts constituting gross insubordination, such as, without limitation, the intentional disregard of any reasonable directive of the Board of Directors; or

(vii) The Executive shall fail to perform any material duty in a timely and effective manner and shall fail to cure any such performance deficiency after receipt of written notice of the deficiency from the Board of Directors, which notice shall designate a reasonable period of time, if curable at all, of not less than ten (10) days within which the performance deficiency must be cured to the satisfaction of the Board of Directors, as applicable, in order to prevent a termination for reasonable cause; *provided, however*, that the Executive shall only be permitted the opportunity to cure performance deficiencies a total of two times in any twelve (12)-month rolling period.

- (b) The Executive's employment hereunder shall be terminated in the event of his death, and the Company may terminate the Executive's employment hereunder if the Executive suffers a physical or mental disability (a "Disability") so that the Executive is or, in the opinion of an independent physician retained by the Company for purposes of this determination will be, unable to perform his duties in a manner satisfactory to the Company for a period of ninety (90) days out of any one hundred eighty (180) consecutive-day period (in which event the Executive shall be deemed to have suffered a permanent Disability).
- (c) The Company may terminate the Executive's employment hereunder at any time for any other reason, or for no reason.
- (d) Termination of the Executive's employment for any reason shall terminate the Employment Term but shall not affect the Executive's obligations pursuant to Section 9 hereof, which obligations shall remain in effect for the period therein provided.

7. Termination by the Executive.

The Executive may terminate his employment with the Company (a) for Good Reason (as defined below) or (b) without Good Reason, in each case, upon not less than thirty (30) days prior written notice to the Company; *provided, however*, that after the receipt of such notice, the Company may, in its discretion accelerate the effective date of such termination at any time by written notice to the Executive. Termination of the Executive's employment by the Executive shall terminate the Employment Term, but shall not affect the Executive's obligations under Section 9 hereof, which obligations shall remain in effect for the period therein provided. As used herein, "Good Reason" means (i) any reduction in the Executive's Base Salary, (ii) any material reduction to the Executive's employment duties and responsibilities, (iii) removal by the Company of the Executive as Chief Executive Officer or as a member of the Board, (iv) any material breach by the Company of any material term of this Agreement, other than a breach which is remedied by the Company within 10 days after receipt of written notice given by the Executive, or (v) a change in the Executive's direct reporting duty to a person other than the Board of Directors.

8. Rights and Obligations Upon Termination.

- (a) If the Executive's employment is terminated by the Company pursuant to Section 6(a) or 6(b) hereof or by the Executive pursuant to Section 7(b) hereof, the Executive or his estate shall have no further rights against the Addus HealthCare Group hereunder, except for the right to receive, with respect to the period prior to the effective date of termination:
- (i) Any unpaid Base Salary under Section 3(a) hereof for any period prior to the effective date of termination;
 - (ii) Any accrued but unpaid benefits, including vacation accrued pursuant to the Company's vacation policy, under Section 5 hereof for any period prior to the effective date of termination; and
 - (iii) In the case of termination pursuant to Section 6(b), eligibility for disability insurance benefits described in Sections 5(e).

Such payments shall be made to the Executive whether or not the Company chooses to utilize the services of the Executive for the required notice period specified in Section 7.

- (b) If the Executive's employment is terminated pursuant to Section 6(c) hereof or Section 7(a) hereof, or as a result of Non-Renewal by the Company, the Executive shall be entitled to, in lieu of any further payments to the Executive for periods subsequent to the date of termination:
- (i) Any unpaid Base Salary under Section 3(a) hereof for any period prior to the effective date of termination;
 - (ii) A pro rata portion of the bonus under Section 3(b) hereof based on what Executive would have been entitled to receive pursuant to the Company's then-effective bonus plan had his employment not been terminated, which shall be payable following the time the Company determines the amount of bonuses payable to its executives following the end of the year in which termination occurs;
 - (iii) Any accrued but unpaid benefits, including vacation accrued pursuant to the Company's vacation policy, under Section 5 hereof for any period prior to the effective date of termination;
 - (iv) Conditioned upon the Executive's strict compliance with the post-employment restrictions described in Section 9 below and subject to applicable withholdings and deductions, severance pay in an amount equal to (A) the Executive's Base Cash Compensation (as defined below) for a period of twenty-four (24) months ("Base Severance Pay"), to be paid in equal installments on the Company's regular pay dates over the twenty-four (24) month period following the date of the termination of the Executive's

employment (subject to applicable withholdings and deductions and early termination upon the Executive's employment with a new employer), (B) any unpaid bonus for a completed performance period that the Executive would have earned had he remained employed through date of payment, as determined by the Company and paid at the same time bonuses are paid to other senior executives, and (C) if the Executive elects to continue his health, dental and/or vision insurance coverage under COBRA, the Executive shall be eligible to receive cash payments equal to the difference between his COBRA continuation coverage premiums and the amount of premiums paid by similarly-situated active employees of the Company under the Company's health, dental and/or vision insurance plans, to be paid in equal installments on the Company's regular pay dates (subject to applicable withholdings and deductions) until the earlier of (x) two (2) years following the termination of the Executive's employment or (y) the date that the Executive is eligible to receive coverage and benefits from a new employer.

For purposes of this Agreement, "Base Cash Compensation" shall mean the highest annual Base Salary in effect for the Executive.

- (c) Notwithstanding anything to the contrary set forth herein, if the Executive's employment is terminated by the Company pursuant to Section 6(c) within six (6) months prior to, or one (1) year following, a Change in Control (as defined below), the Executive shall be entitled to, in lieu of the payments to be made pursuant to Section 8(b)(iv), (A) an amount equal to twenty four (24) months of the Executive's Annual Cash Compensation (as defined below) (subject to applicable withholdings and deductions, less any payment already received pursuant to Section 8(b)(iv) ("Change of Control Severance Pay" and, together with Base Severance Pay, "Severance Pay"), which shall be payable in accordance with the normal payroll practices of the Company in equal installments on the Company's regular pay dates over the twenty-four (24) month period following the date of the termination of the Executive's employment, (B) any unpaid bonus for a completed performance period that the Executive would have earned had he remained employed through date of payment, as determined by the Company and paid at the same time bonuses are paid to other senior executives, and (C) if the Executive elects to continue his health, dental and/or vision insurance coverage under COBRA, the Executive shall be eligible to receive cash payments equal to the difference between his COBRA continuation coverage premiums and the amount of premiums paid by similarly-situated active employees of the Company under the Company's health, dental and/or vision insurance plans, payable in equal installments on the Company's regular pay dates (subject to applicable withholdings and deductions) until the earlier of (x) two (2) years following the termination of the Executive's employment or (y) the date that the Executive is eligible to receive coverage and benefits from a new employer. As used herein, a "Change in Control" shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), other

than a trustee or other fiduciary holding securities under an employee benefit plan of Addus HomeCare, or a corporation owned directly or indirectly by the stockholders of Addus HomeCare in substantially the same proportions as their ownership of stock of Addus HomeCare, becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Addus HomeCare representing more than 50% of the total voting power represented by Addus HomeCare’s then outstanding securities that vote generally in the election of directors (referred to herein as “Voting Securities”); or (ii) after the date of this Agreement, the stockholders of Addus HomeCare approve (x) a merger or consolidation of Addus HomeCare with any other corporation, other than a merger or consolidation that would result in the Voting Securities of Addus HomeCare outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) more than 50% of the total voting power represented by the Voting Securities of Addus HomeCare or such surviving entity outstanding immediately after such merger or consolidation, or (y) a plan of complete liquidation of Addus HomeCare or an agreement for the sale or disposition by Addus HomeCare of (in one transaction or a series of transactions) all or substantially all of Addus HomeCare’s assets.

For purposes of this Agreement, “Annual Cash Compensation” shall mean the sum of (a) the highest annual Base Salary in effect for the Executive and (b) the greater of (i) the Executive’s bonus for the most recently-completed year, if any, or (ii) the annualized amount of the Executive’s target bonus for the then current year.

- (d) The Executive acknowledges and agrees that the Company’s obligations to make payments pursuant to Sections 8(b)(iv) and 8(c) above are expressly conditioned on the Executive timely executing, delivering and not revoking a customary general release in form and substance satisfactory to the Company within the period that is sixty (60) days following the date of the Executive’s termination of employment or service with the Company. To the extent that such sixty (60) day period spans two (2) calendar years, no payment of any severance amount or benefit that is (i) considered to be nonqualified deferred compensation within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, “Code §409A”) and (ii) conditioned upon the release, shall be made before the first day of the second calendar year, regardless of when the release is actually executed and returned to the Company.
- (e) If the Executive’s employment is terminated for any reason, the Executive shall, at the Company’s request, immediately resign from all officer and director positions with each member of the Addus HealthCare Group, including from the Board of Directors.

9. **Covenants of the Executive.**

- (a) **No Conflicts.** The Executive represents and warrants that he is not personally subject to any agreement, order or decree that restricts his acceptance of this Agreement and performance of his duties with the Company hereunder.
- (b) **Non-Competition; Non-Solicitation.** During the Employment Term and during the Restrictive Period (as defined below), the Executive shall not, without the prior written consent of the Company, directly or indirectly, in any capacity whatsoever, either on his own behalf or on behalf of any other person or entity whom he may manage, control, participate in, consult with, render services for or be employed or associated, compete with the Business (as defined below) in any of the following described manners:
- (i) Engage in, assist or have any interest in, as principal, consultant, advisor, agent, financier or employee, any business entity that is, or that is about to become engaged in, providing goods or services in competition with the Addus HealthCare Group within a geographic radius of fifty (50) miles from any Addus HealthCare Group branch office;
- (ii) Solicit or accept any business (or help any other person solicit or accept any business) from any person or entity that on the Effective Date is a customer of the Addus HealthCare Group or during the Employment Term becomes a customer of the Addus HealthCare Group, other than a customer that does not engage in the Business;
- (iii) Induce or attempt to induce any employee of the Addus HealthCare Group to terminate such employee's relationship with the Addus HealthCare Group or in any way interfere with the relationship between the Addus HealthCare Group and any employee thereof; or
- (iv) Induce or attempt to induce any customer, referral source, supplier, vendor, licensee or other business relation of the Addus HealthCare Group to cease doing business with the Addus HealthCare Group, or in any way interfere with the relationship between any such customer, referral source, supplier, vendor, licensee or business relation, on the one hand, and the Addus HealthCare Group, on the other hand.

For purposes hereof, the term "**Business**" means the business of providing home care services of the type and nature that the Addus HealthCare Group then performed and/or any other business activity in which the Addus HealthCare Group then performed or program or service then under active development proposed to be performed and/or any other business activity in which the Addus HealthCare Group becomes engaged in on or after the date hereof while the Executive is employed by the Company.

For purposes hereof, the term "**Restrictive Period**" means the period beginning on the date on which the Executive's employment is terminated by the Company or the Executive for any reason and ending on the second anniversary of such date.

Notwithstanding the foregoing provisions, nothing herein shall prohibit the Executive from owning one percent (1%) or less of any securities of a competitor, if such securities are listed on a nationally recognized securities exchange or traded over-the-counter. If, at the time of enforcement of this Section 9(b), a court holds that the restrictions stated herein are unreasonable under the circumstances then existing, the parties hereto agree that the maximum period, scope or geographic area reasonable under such circumstances shall be substituted for the stated period, scope or area determined to be reasonable under the circumstances by such court.

- (c) **Non-Disclosure.** The Executive recognizes and acknowledges that he will have access to certain confidential and proprietary information of Addus HealthCare Group, including, but not limited to, Trade Secrets (as defined below) and other proprietary commercial information, and that such information constitutes valuable, special and unique property of Addus HealthCare Group. The Executive agrees that he will not, for any reason or purpose whatsoever, except in the performance of his duties hereunder, or as required by law, disclose any of such confidential information to any person, entity or governmental authority without express authorization of the Company. The Executive further agrees that he shall not, at any time during the Employment Term or thereafter, without the express prior written consent of the Company, directly or indirectly, in any capacity whatsoever, either on his own behalf or on behalf of any other person or entity that he manages, controls, participates in, consults with, renders services for or is employed by or associated with, disclose or use, except when necessary to further the interests of the Business, any Trade Secret of the Addus HealthCare Group, whether such Trade Secret is in the Executive's memory or embodied in writing or other physical form. For purposes of this Agreement, "Trade Secret" means any information, not generally known to, and not readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of efforts to maintain its secrecy that are reasonable under the circumstances, including, but not limited to, (i) trade secrets; (ii) information concerning the business or affairs of the Addus HealthCare Group, including its products or services, fees, costs, and pricing structures, charts, manuals and documentation, databases, accounting and business models, designs, analyses, drawings, photographs and reports, computer software, copyrightable works, inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, sales records and other proprietary commercial information; (iii) information concerning actual and prospective clients and customers of the Addus HealthCare Group, including client and customer lists and other compilations; and (iv) information concerning employees, contractors and vendors of the Addus HealthCare Group, including personal information and information concerning the compensation

or other terms of employment of such individuals. “Trade Secret,” however, shall not include general “know-how” information acquired by the Executive during the course of his employment that could have been obtained by him from public sources without the expenditure of significant time, effort and expense.

- (d) **Covenant Regarding Confidential and Proprietary Information.** The Executive will promptly disclose in writing to the Company each improvement, discovery, idea, invention, and each proposed publication of any kind whatsoever, relating to the Business made or conceived by the Executive either alone or in conjunction with others while employed hereunder if such improvement, discovery, idea, invention or publication results from or was suggested by such employment (whether or not patentable and whether or not made or conceived at the request of or upon the suggestion of the Company, and whether or not during his usual hours of work, whether in or about the premises of the Addus HealthCare Group and whether prior or subsequent to the execution hereof). The Executive will not disclose any such improvement, discovery, idea, invention or publication to any person, entity or governmental authority, except to the Company. Each such improvement, discovery, idea, invention and publication shall be the sole and exclusive property of, and is hereby assigned by the Executive to, the Company, and at the request of the Company, the Executive will assist and cooperate with the Company and any person or entity from time to time designated by the Company to obtain for the Company or its designee the grant of any letters patent in the United States of America and/or such other country or countries as may be designated by the Company, covering any such improvement, discovery, idea, invention or publication and will in connection therewith execute such applications, statements, assignments or other documents, furnish such information and data and take all such other action (including, without limitation, the giving of testimony) as the Company may from time to time reasonably request. The foregoing provisions of this Section 9(d) shall not apply to any improvement, discovery, idea, invention or publication for which no equipment, supplies, facilities or confidential and proprietary information of Addus HealthCare Group was used and that was developed entirely on the Executive’s own time, unless (x) the improvement, discovery, idea, invention or publication relates to the Business or the actual or demonstrably anticipated research or development of the Business, or (y) the improvement, discovery, idea, invention or publication results from any work performed by the Executive for the Addus HealthCare Group.
- (e) **Non-Disparagement.** The Executive agrees that, during the Employment Term and the Restrictive Period, he will not make any statement, either in writing or orally, that is communicated publicly or is reasonably likely to be communicated publicly and that is reasonably likely to disparage or otherwise harm the business or reputation of the Addus HealthCare Group, or the reputation of any of its current or former directors, officers, employees or stockholders.

- (f) **Return of Documents and Other Property.** Upon termination of employment, the Executive shall return all originals and copies of books, records, documents, customer lists, sales materials, tapes, keys, credit cards and other tangible property of Addus HealthCare Group within the Executive's possession or under his control.
- (g) **Remedies for Breach.** In the event of a breach or threat of a breach of the provisions of this Section 9, the Executive hereby acknowledges that such breach or threat of a breach will cause the Company to suffer irreparable harm and that the Company shall be entitled to request an injunction restraining the Executive from breaching such provisions; but the foregoing shall not be construed as prohibiting the Company from having available to it to any other remedy, either at law or in equity, for such breach or threatened breach, including, but not limited to, the cessation of employment and any remaining Severance Pay and benefits pursuant to Section 8 and the recovery of damages from the Executive and the notification of any employer or prospective employer of the Executive as to the terms and conditions hereof (without limiting or affecting the Executive's obligations under the other paragraphs of this Section 9).
- (h) **Acknowledgment.** The Executive acknowledges that he will be directly and materially involved as a senior executive in all important policy and operational decisions of Addus HealthCare Group. The Executive further acknowledges that the scope of the foregoing restrictions has been specifically bargained between the Company and the Executive, each being fully informed of all relevant facts. Accordingly, the Executive acknowledges that the foregoing restrictions of this Section 9 are fair and reasonable, are minimally necessary to protect Addus HealthCare Group, its stockholders and the public from the unfair competition of the Executive who, as a result of his employment with the Company, will have had access to the most confidential and important information of Addus HealthCare Group, its Business and future plans. The Executive furthermore acknowledges that no unreasonable harm or injury will be suffered by his from enforcement of the covenants contained herein and that he will be able to earn a reasonable livelihood following termination of his employment notwithstanding enforcement of the covenants contained herein.
- (i) **Right of Set Off.** In the event of a breach by the Executive of the provisions of this Agreement, the Company is hereby authorized at any time and from time to time, to the fullest extent permitted by law, and after ten (10) days prior written notice to the Executive, to set-off and apply any and all amounts at any time held by the Company on behalf of the Executive and all indebtedness at any time owing by the Addus HealthCare Group to the Executive against any and all of the obligations of the Executive now or hereafter existing.

10. Prior Agreement.

This Agreement supersedes and is in lieu of any and all other employment arrangements between the Executive and the Company or its predecessor or any subsidiary and any and all such employment agreements and arrangements are hereby terminated and deemed of no further force or effect; provided, however, that this Paragraph does not apply to any agreements or other documents that are currently in effect with regard to the Executive's position on the Board of Directors and his Incentive Equity Awards, including the Incentive Plan.

11. Assignment.

Neither this Agreement nor any rights or duties of the Executive hereunder shall be assignable by the Executive and any such purported assignment by his shall be void. The Company may assign all or any of its rights hereunder in the event of a Change of Control; however, the Company agrees that this Agreement shall be binding on the successors and/or assigns of the Company.

12. Notices.

Unless specified in this Agreement, all notices and other communications hereunder shall be in writing and shall be deemed given upon receipt or refusal thereof if delivered personally, sent by overnight courier service, mailed by registered or certified mail (return receipt requested), postage prepaid, or emailed to the other party's email address on the Company's computer network. Notice to their party hereto, if mailed or sent by overnight courier service, shall be to the following addresses:

(a) if to the Executive, to:

R. Dirk Allison
11113 Long Isles Lane
Lewisville, TX 73036

(b) if to the Company, to:

Addus HealthCare, Inc.
2300 Warrenville Road,
Downers Grove, Illinois 60515
Attention: Chairman of the Board of Directors

with a copy, which shall not constitute notice, to:

Winston & Strawn LLP
200 Park Avenue
New York, NY 10166
Attention: Jennifer Kurtis, Esq.
Telephone: (212) 294-6675
Facsimile: (212) 294-4700
E-mail: jkurtis@winston.com

Any party may change its address for notice by giving all other parties notice of such change pursuant to this Section 12.

13. Amendment.

This Agreement may not be changed, modified or amended except in writing signed by both parties to this Agreement.

14. Waiver of Breach.

The waiver by either party of the breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party.

15. Invalidity of Any Provision.

The provisions of this Agreement are severable, it being the intention of the parties hereto that should any provision hereof be invalid or unenforceable, such invalidity or enforceability of any provisions shall not affect the remaining provisions hereof, but the same shall remain in full force and effect as if such invalid or unenforceable provision or provisions were omitted.

16. 409A Compliance.

This Agreement is intended to comply with or be exempt from Code §409A, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance with or exempt from Code §409A. If the Executive is a specified employee within the meaning of that term under Code §409A, then with regard to any payment that is considered non-qualified deferred compensation under Code §409A and payable on account of a separation from service, such payment shall be made on the date which is the earlier of (i) the expiration of the six (6)-month period measured from the date of such separation from service, and (ii) the date of the Executive's death (the "Delay Period") to the extent required under Code §409A. Upon the expiration of the Delay Period, all payments delayed shall be paid to the Executive in a lump sum, and all remaining payments due under this Agreement shall be paid or provided for in accordance with the normal payment dates specified herein. To the extent any reimbursements or in-kind benefits under this Agreement constitute non-qualified deferred compensation for purposes of Code §409A, (i) all such expenses or other reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (ii) any right to such reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit and (iii) no such reimbursement, expenses eligible for reimbursement or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year. For purposes of Code §409A, the Executive's right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. In no event shall any payment under this Agreement that constitutes non-qualified deferred compensation for purposes of Code §409A be subject to offset, counterclaim or recoupment by any other amount unless otherwise permitted by Code §409A.

17. Governing Law.

This Agreement shall be governed by, and construed, interpreted and enforced in accordance with the laws of the State of Illinois as applied to agreements entirely entered into and performed in Illinois by Illinois residents exclusive of the conflict of laws provisions of any other state.

18. Arbitration.

Except as set forth below, any controversy or claim arising out of or relating to this Agreement (including, without limitation, as to arbitrability and any disputes with respect to the Executive's employment with the Company or the termination of such employment), or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect as of the date of filing of the arbitration administered by a person authorized to practice law in the State of Illinois and mutually selected by the Company and the Executive (the "Arbitrator"). If the Company and the Executive are unable to agree upon the Arbitrator within fifteen (15) days, they shall each select an arbitrator within fifteen (15) days, and the arbitrators selected by the Company and the Executive shall appoint a third arbitrator to act as the Arbitrator within fifteen (15) days (at which point the Arbitrator alone shall judge the controversy or claim). The arbitration hearing shall commence within ninety (90) calendar days after the Arbitrator is selected, unless the Company and the Executive mutually agree to extend this time period. The arbitration shall take place in Chicago, Illinois. The Arbitrator will have full power to give directions and make such orders as the Arbitrator deems just. Nonetheless, the Arbitrator explicitly shall not have the authority, power, or right to alter, change, amend, modify, add, or subtract from any provision of this Agreement except pursuant to Section 15. The Arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based within thirty (30) days after the conclusion of the arbitration hearing. The agreement to arbitrate will be specifically enforceable. The award rendered by the Arbitrator shall be final and binding (absent fraud or manifest error), and any arbitration award may be enforced by judgment entered in any court of competent jurisdiction. The Company and the Executive shall each pay one-half (1/2) of the fees of the Arbitrator. Notwithstanding anything set forth above to the contrary, in the event that the Company seeks injunctive relief and/or specific performance to remedy a breach, evasion, violation or threatened violation of this Agreement, the Executive irrevocably waives his right, if any, to have any such dispute decided by arbitration or in any jurisdiction or venue other than a state or federal court in the State of Illinois. For any such action, the Executive further irrevocably consents to the personal jurisdiction of the state and federal courts in the State of Illinois.

[Remainder of Page Intentionally Left Blank]

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

ADDUS HEALTHCARE, INC.

By: /s/ Donald Klink

Name: Donald Klink

Title: Chief Financial Officer

/s/ R. Dirk Allison

R. Dirk Allison

Signature page to Allison Employment Agreement

Exhibit A
Bonus

2016 Long Term Incentive Plan

Subject to the terms and conditions of a bonus plan that may be approved by the Board of Directors, the Executive shall be eligible to receive stock-based compensation in the event that the Company attains a certain percentage of its annual performance target (the "Performance Target"), which Performance Target shall be determined by the Board of Directors in its sole discretion and shall be consistent with the methodology used to calculate the incentive awards granted to other senior executives of the Company, as follows:

| <u>Percentage of Performance Target Attained</u> | <u>Amount of Stock-Based Compensation</u> |
|---|--|
| 85% | 25% of Base Salary |
| 100% | 50% of Base Salary |
| 120% | 75% of Base Salary |

For the avoidance of doubt, any stock-based compensation awarded to the Executive under the 2016 Long Term Incentive Plan may be apportioned between nonqualified employee stock options and Restricted Stock as the Board of Directors shall determine in its sole discretion.

2016 Short Term Incentive Plan

Subject to the terms and conditions of incentive bonus plan that may be approved by the Board of Directors, the Executive shall be eligible to receive cash-based compensation in the event that the Company attains a certain percentage of its Performance Target, which Performance Target shall be determined by the Board of Directors in its sole discretion and shall be consistent with the methodology used to calculate the incentive awards granted to other senior executives of the Company, as follows:

| <u>Percentage of Performance Target Attained</u> | <u>Amount of Cash-Based Compensation</u> |
|---|---|
| 85% | 25% of Base Salary |
| 100% | 80% of Base Salary |
| 120% | 105% of Base Salary |

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT AND GENERAL RELEASE (this "Agreement") is being entered into as of March 1, 2016 by Addus HomeCare Corporation, a Delaware corporation ("Addus"), and Mark S. Heaney (the "Executive") (each, a "Party" and collectively, the "Parties").

WHEREAS, the Executive has been employed since 1985 by Addus and by Addus HealthCare, Inc., an Illinois corporation and a subsidiary of Addus (collectively with Addus, the "Company"), pursuant to an amended and restated employment and non-competition agreement, dated May 6, 2008, as amended September 30, 2009, November 17, 2011, December 20, 2012 and October 2013 (the "Employment Agreement");

WHEREAS, the Executive's employment with the Company and service on the Addus Board of Directors (the "Board") has terminated effective January 15, 2016 (the "Separation Date"); and

WHEREAS, the Executive and the Company wish to resolve all matters related to his employment with the Company on the terms and conditions expressed in this Agreement, including the release provisions (the "Release Agreement") set forth in Exhibit A hereto.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties, intending to be legally bound, agree as follows:

1. Last Day of Employment; Resignation from the Board.

(a) The Executive's employment with the Company as its President and Chief Executive Officer and his service as Chairman of the Board have terminated as of the Separation Date, and all agreements and employment arrangements between the Executive and the Company or any subsidiary or affiliate thereof (collectively, the "Company Group" and individually, a "Company Group Member") have terminated effective as of the Separation Date. The Parties agree that all of their rights and obligations under the Employment Agreement continued until the Separation Date, and upon such date, the Employment Agreement terminated except as otherwise provided herein.

(b) The parties agree that the Executive's separation from employment pursuant to this Agreement is a termination without "reasonable cause," as such term is defined in Section 6(a) of the Employment Agreement and in accordance with Section 6(b) of the Employment Agreement. The parties acknowledge that the Executive was a covered individual pursuant to the terms of the Company's directors and officers liability policy prior to the Separation Date.

(c) In addition, effective as of the Separation Date, the Parties agree that the Executive has resigned from the Board, has resigned as a director of all Company Group Members, as a fiduciary of any of the Company Group's employee benefit plans and from all other positions held by him within the Company Group. The Executive shall execute and deliver to the Company any requested resignation letters documenting his resignation from such positions.

2. Payments; Benefits.

(a) Severance Payment. Conditioned upon the Executive's strict compliance with the post-employment restrictions described in Sections 4 through 8 and provided that the Executive timely executes and does not revoke this Agreement, including Exhibit A hereto, the Company shall pay to the Executive (i) severance payments in the aggregate amount equal to three (3) times the Executive's annual base salary as in effect immediately prior to the Separation Date, \$413,600 (the "Base Salary"), less all applicable taxes and withholdings, payable in equal installments on each of the Company's regularly scheduled payroll dates over the three (3) years following the termination of the Executive's employment, and (ii) a bonus amount with respect to the Company's 2015 annual bonus program, subject to the same terms and conditions as, to the extent, and at the same time that such annual bonuses are paid to all other participating employees of the Company ((i) and (ii) collectively, the "Severance Amount"). Payment of the Severance Amount will commence on the first payroll date following the Separation Date; provided, however, that any payment due before the Release Agreement Effective Date (as defined in the Release Agreement) will be accumulated and paid (subject to the applicable conditions) on the first regularly scheduled payroll date after the Release Agreement Effective Date, along with the installment of the Severance Amount for such date.

(b) Ability to Exercise Vested Stock Options; Forfeiture of Unvested Equity Awards. Pursuant to the Company's 2009 Stock Incentive Plan, any outstanding stock options held by the Executive that are vested as of the Separation Date will remain exercisable through the earlier of (i) ninety (90) days after the Separation Date and (ii) the expiration date of such stock options. For the avoidance of doubt, all unvested equity awards held by the Executive shall be forfeited as of the Separation Date, and the Company shall have no further obligations with respect thereto. As further consideration for the below stated release, the committee, as defined and referred to in the nonqualified stock option award agreements, shall permit the Executive to elect to pay the Option Price and any applicable minimum tax withholding resulting from such exercise by authorizing a third-party broker to sell all or a portion of the Option Shares acquired upon exercise of the Option and remit to the Company a sufficient portion of the sale proceeds to pay the Option Price and any applicable minimum tax withholding resulting from such exercise.

(c) Change in Control. In accordance with Section 8(b) of the Employment Agreement, if a Change in Control (as defined in the Employment Agreement) occurs within the eighteen (18) months following the Separation Date, the Executive shall be entitled to receive, in lieu of the Severance Amount, a lump sum payment, less all applicable taxes and withholdings, equal to (i) three (3) times the sum of (A) the Executive's highest annual Base Salary in effect during the Employment Term (as defined in the Employment Agreement) and (B) an amount equal to the average bonus paid to the Executive in the two (2) most recent fiscal years, less (ii) any portion of the

Severance Amount already received by the Executive pursuant to Section 2(a) above (the “Change in Control Severance Amount”). In addition, if any payments to the Executive under this Agreement, either alone or together with other payments to the Executive from the Company, would constitute a “parachute payment” (as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”)), such payments shall be grossed up to an amount such that after payment of the excise tax imposed by Section 4999 of the Code, the Executive will receive on an after-tax basis the same amount the Executive would have received if no such excise tax had been imposed. For the avoidance of doubt, the Change in Control Severance Amount in this Section 2(c) shall be payable only if the conditions to payment with respect to the Severance Amount described in Section 2(a) have been satisfied.

(d) Additional Obligations. Whether or not the Executive timely executes and does not revoke this Agreement, the Company acknowledges the following obligations to the Executive:

(i) The Company shall pay to the Executive any accrued and unpaid Base Salary up to and including the Separation Date, less all applicable taxes and withholdings, payable in accordance with the Company’s regular payroll practices;

(ii) The Company shall pay to the Executive any accrued and unused vacation time as of the Separation Date and pursuant to applicable law, payable in accordance with the Company’s regular payroll practices;

(iii) The Company agrees to reimburse the Executive for all reasonable and necessary out-of-pocket business-related expenses incurred by him prior to the Separation date, provided that the Executive submits reasonable documentation of such expenses prior to the Release Agreement Effective Date and in accordance with the applicable Company policies; and

(iv) Following the Separation Date, the Executive shall be entitled to any amount arising from his participation in, or benefits under, any employee benefit plans, programs or arrangements that become payable as a result of his separation from the Company, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements and pursuant to applicable law.

(e) No Other Benefits. Except as provided in this Agreement, the Executive shall not be entitled to receive any other payment, benefit or other form of compensation as a result of his employment or the termination thereof, or his cessation of service on the Board. In addition, for the avoidance of doubt, and notwithstanding anything in this Agreement to the contrary: (i) the Executive shall have no entitlement to any payments under any 2016 annual bonus program of the Company; and (ii) the fringe benefits described in Section 5 of the Employment Agreement shall terminate as of the Separation Date without any further action by the Executive, and the Company shall no longer have any obligations with respect to such benefits.

(f) **Tax Withholding.** All payments made by the Company to the Executive hereunder except for expense reimbursements shall be subject to all applicable withholding deductions.

3. **Execution of Agreement and Release Agreement.** The Executive understands and agrees that he will not receive the Severance Amount described in Section 2(a) or the Change in Control Severance Amount described in Section 2(c) above unless: (a) the Executive timely signs this Agreement, (b) following the Separation Date, the Executive signs and does not timely revoke or rescind the Release Agreement and (c) the Executive complies with the promises made by him in this Agreement, the Release Agreement and the Employment Agreement.

4. **Non-Competition and Non-Solicitation.**

(a) Prior to and following the Separation Date and through the third (3rd) anniversary thereof (the "**Restricted Period**"), the Executive shall not, and shall cause his affiliates not to, directly or indirectly, own, manage, control, participate in, consult with, render services for, or in any manner engage in or represent any business within any Restricted Territory that is competitive with the Subject Business or any product of the Subject Business as such Subject Business has been conducted or is proposed to be conducted from and after September 19, 2006. Nothing herein shall prohibit the Executive from being a passive owner of not more than five percent (5.0%) of the outstanding stock of any class of a corporation that is publicly traded, so long as the Executive has no active participation in the business of such corporation.

(b) For purposes of this Agreement:

(i) "**Restricted Territory**" means any portion of the United States and any other jurisdiction in which any product, process, good or service has heretofore been manufactured, provided, sold or offered or promoted for sale by the Company Group or the Subject Business during the two (2) year period preceding the Separation Date or with respect to which either the Company Group or the Subject Business has devoted substantial expense in anticipation of launching into such geographic area a portion of the Subject Business at any time prior to the Separation Date.

(ii) "**Subject Business**" means (A) the provision of paraprofessional and skilled home health and adult daycare services, (B) healthcare staffing services, and (C) any other line of business (x) in which the Company Group was engaged as of September 19, 2006, (y) in which the Company Group was engaged during the five (5) years prior to September 19, 2006 or (z) in which the Company Group was engaged at any time after September 19, 2006 until the date immediately preceding the expiration date of the Restricted Period.

(c) During the Restricted Period, the Executive shall not, and shall refrain from causing its affiliates to, directly or indirectly: (i) induce or attempt to induce any employee of the Company Group to leave the employ of a Company Group Member, or

in any way interfere with the relationship between the Company Group Member, on the one hand, and any employee thereof, on the other hand (provided, however, that such restriction shall not apply to general solicitations or advertisements for employment in publications of general circulation or on the Internet); (ii) hire any person who was an employee of the Company Group until one (1) year after such individual's employment relationship with the Company Group has been terminated; or (iii) induce or attempt to induce any customer, referral source, supplier, vendor, licensee or other business relation of the Company Group to cease doing business with a Company Group Member, or in any way interfere with the relationship between any such customer, referral source, supplier, vendor, licensee or business relation, on the one hand, and the Company Group, on the other hand.

(d) The Executive covenants and agrees that he will not seek to challenge the enforceability of the covenants contained in this Section 4 against Addus Holding Corporation, Addus Management Corporation, Addus Acquisition Corporation or any Company Group Member based on its duration, geographic scope, definition of the Subject Business or the breadth of restricted activities, nor will the Executive assert as a defense to any action seeking enforcement of the provisions contained in this Section 4 (including an action seeking injunctive relief) that such provisions are not enforceable due to lack of sufficient consideration received by the Executive; provided however, that the preceding provisions shall in no way be deemed to limit or affect the ability of the Executive to challenge the applicability or interpretation of the other covenants contained in this Section 4. The Parties hereto agree and acknowledge that money damages would be an inadequate remedy for any breach of this Section 4. Therefore, in the event of a breach or threatened breach by the Executive of this Section 4, Addus Holding Corporation, Addus Management Corporation, Addus Acquisition Corporation, a Company Group Member or their successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions of this Section 4 (without posting a bond or other security).

5. **Non-Disclosure.** Prior to and following the Separation Date, the Executive shall not disclose or use, except when necessary to further the interests of Company or any subsidiary thereof (collectively, the "Company Group"), any Trade Secret (as hereafter defined) of the Company Group, whether such Trade Secret is in the Executive's memory or embodied in writing or other physical form. For purposes of this Section 5, "Trade Secret" means any information, not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of efforts to maintain its secrecy that are reasonable under the circumstances, including, but not limited to, (a) trade secrets, (b) the business or affairs of the Company Group, (c) client and customer lists, (d) products or services, (e) fees, costs, and pricing structures, (f) charts, manuals and documentation, (g) databases, (h) accounting and business models, (i) designs, (j) analyses, (k) drawings, photographs and reports, (l) computer software, (m) copyrightable works, (n) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (o) sales records and (p) other proprietary commercial information. Said term, however, shall not include general "know-how" information acquired by the Executive during the course of his employment that could have been obtained by him from public sources without the expenditure of significant time, effort and expense.

6. **Confidential and Proprietary Information.** The Executive recognizes and acknowledges that during his employment with the Company, he had access to certain confidential and proprietary information of the Company Group, including, but not limited to, Trade Secrets and other proprietary commercial information, and that such information constitutes valuable, special and unique property of the Company Group. The Executive agrees that he will not, for any reason or purpose whatsoever, except in the performance of his duties hereunder, or as required by law, disclose any such confidential information to any person, entity or governmental authority without express authorization of the Company.

7. **Non-Disparagement.** Prior to and following the Separation Date, the Executive agrees that he will not make any statement, either in writing or orally, that is communicated publicly or is reasonably likely to be communicated publicly, and that is reasonably likely to disparage or otherwise harm the business or reputation of the Company, or the reputation of any of its current or former directors, officers, employees or stockholders.

8. **Return of Documents and Other Property.** Upon the Separation Date, Executive shall return all originals and copies of books, records, documents, customer lists, sales materials, tapes, keys, credit cards and other tangible property of the Company Group within the Executive's possession or under his control. The Company acknowledges that the Executive had certain research and form files that he brought with him and may have used to perform his duties herein and that he updated and added to such files during his employment with the Company. Such research and form files will remain and be the property of the Executive and he shall have the right to remove and take such files with him upon his termination of his employment with the Company; however, such files do not include any transaction, project, litigation or other general or specific files of the Company.

9. **Remedies for Breach.** In the event of a breach or threat of a breach of Sections 4, 5, 6, 7 or 8, the Executive hereby acknowledges that such breach or threat of a breach will cause the Company to suffer irreparable harm and the Company shall be entitled to an injunction restraining the Executive from breaching such provisions; but the foregoing shall not be construed as prohibiting the Company from having available to it to any other remedy, either at law or in equity, for such breach or threatened breach, including, but not limited to, the immediate cessation any remaining severance pay and benefits pursuant to Section 2, the recovery of damages from the Executive and the notification of any employer or prospective employer of the Executive as to the terms and conditions hereof (without limiting or affecting Executive's obligations under Sections 4, 5, 6, 7 and 8).

10. **Acknowledgement.** The Executive acknowledges that, during his employment with the Company, he was directly and materially involved as a senior executive in all important policy and operational decisions of the Company Group. The Executive further acknowledges that the scope of the foregoing restrictions was specifically bargained between the Company and the Executive, each being fully informed of all relevant facts. Accordingly, the Executive acknowledges that the foregoing restrictions in Sections 4, 5, 6, 7 and 8 are fair and reasonable, are minimally necessary to protect the Company Group, its stockholders and the public from the

unfair competition of the Executive who, as a result of his employment with the Company, had unlimited access to the most confidential and important information of the Company Group, its business and future plans. The Executive furthermore acknowledges that no unreasonable harm or injury will be suffered by him from enforcement of the covenants contained herein and that he will be able to earn a reasonable livelihood following the termination of his employment notwithstanding enforcement of the covenants contained herein.

11. **Enforcement.** If, at the time of enforcement of Sections 4, 5, 6, 7 and/or 8, a court or arbitrator holds that the restrictions stated therein are unreasonable under the circumstances then existing, the Parties agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area determined to be reasonable under the circumstances by such court or arbitrator, as applicable.

12. **Right of Set-Off.** In the event of a breach by the Executive of the provisions of this Agreement, the Company is hereby authorized at any time and from time to time and to the fullest extent permitted by law, after ten (10) days' prior written notice to the Executive and if, during such ten (10) day period, the Executive has not cured such breach to the reasonable satisfaction of the Company, to set-off and apply any and all amounts at any time held by the Company on behalf of the Executive and all indebtedness at any time owing by the Company to the Executive against any and all of the obligations of the Executive now or hereafter existing.

13. **Confidentiality of Terms.** The Executive agrees that it is a material condition of this Agreement that the Executive shall keep the terms of this Agreement, and the negotiations related thereto, strictly and completely confidential and that the Executive will not directly or indirectly make or issue any private statement, press release or public statement, or communicate or otherwise disclose to any employee of the Company (past, present or future) or to a member of the general public, the negotiations leading to, or the terms, amounts or facts of or underlying this Agreement, except as may be required by securities law, applicable law, or compulsory process; provided, however, that the Executive may disclose the terms of this Agreement to his immediate family, attorneys, and accountants or other financial advisors so long as they agree to abide by the foregoing confidentiality restriction. The Parties acknowledge that this Agreement will be made available to the public as part of the Company's disclosures under applicable securities laws.

14. **Amendment.** The Executive understands and agrees that this Agreement may not be modified, altered or changed except upon express written consent of both Parties wherein specific reference is made to this Agreement.

15. **Entire Agreement; Waiver.** The Executive understands and agrees that this Agreement, including Exhibit A hereto, sets forth the entire agreement between the Executive and the Company concerning the subject matter herein, and that it fully supersedes any prior rights or obligation of the Company to him, including, but not limited to, rights and obligations set forth in the Employment Agreement, as well as any other agreements between the Executive and the Company, other than any provisions in the Employment Agreement and any other agreements relating to inventions, intellectual property and equity, the provisions of which the Executive acknowledges are designed to survive the termination of his employment with Company. The Executive acknowledges and affirms that he has not relied on any

representations, promises, or agreements of any kind made to him in connection with his decision to accept this Agreement, except for those that are set forth in this Agreement, including Exhibit A hereto. One or more waivers of a breach of any covenant, term or provision of this Agreement by any Party shall not be construed as a waiver of a subsequent breach of the same covenant, term or provision, nor shall it be considered a waiver of any other then existing or subsequent breach of a different covenant, term or provision.

16. **Code Section 409A.** This Agreement and the payments made pursuant to this Agreement are intended either to be exempt from Code Section 409A as short-term deferrals or under the two (2) times separation pay exception or, in the alternative, to comply with Code Section 409A, and shall be interpreted, construed and administered in accordance therewith. For purposes of Code Section 409A, each installment payment, if applicable, provided under this Agreement shall be treated as a separate payment. To the extent that any portion of any payment hereunder is not exempt from the application of Code Section 409A and the Executive is a "specified employee" within the meaning thereof, it may be subject to a six (6) month delay in payment following the Executive's "separation from service" if and to the extent required under Code Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments or benefits provided under this Agreement comply with Code Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive as a result of this Agreement failing to comply with Code Section 409A.

17. **Governing Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Illinois, without giving effect to any choice of law rules or other conflicting provision of rule that would cause the laws of any other jurisdiction to be applied.

18. **Arbitration.** Each of the Parties hereto hereby agrees that, except as set forth below, any controversy or claim arising out of or relating to this Agreement (including, without limitation, as to arbitrability and any disputes with respect to the Executive's employment with the Company or the termination of such employment), or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect as of the date of filing of the arbitration administered by a person authorized to practice law in the State of Illinois and mutually selected by the Company and the Executive (the "Arbitrator"). If the Company and the Executive are unable to agree upon the Arbitrator within fifteen (15) days, they shall each select an arbitrator within fifteen (15) days, and the arbitrators selected by the Company and the Executive shall appoint a third arbitrator to act as the Arbitrator within fifteen (15) days (at which point the Arbitrator alone shall judge the controversy or claim). The arbitration hearing shall commence within ninety (90) calendar days after the Arbitrator is selected, unless the Company and the Executive mutually agree to extend this time period. The arbitration shall take place in Chicago, Illinois. The Arbitrator will have full power to give directions and make such orders as the Arbitrator deems just. Nonetheless, the Arbitrator explicitly shall not have the authority, power, or right to alter, change, amend, modify, add, or subtract from any provision of this Agreement except pursuant to Section 11. The Arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based within thirty (30) days after the conclusion of the arbitration hearing. The agreement to arbitrate will be specifically enforceable.

The award rendered by the Arbitrator shall be final and binding (absent fraud or manifest error), and any arbitration award may be enforced by judgment entered in any court of competent jurisdiction. The Company and the Executive shall each pay one-half (1/2) of the fees of the Arbitrator. Either Party may seek and obtain from a court any injunctive or equitable relief necessary to maintain (and/or to restore) the status quo or to prevent the possibility of irreversible or irreparable harm pending final resolution of arbitration proceedings. For any such action, the Executive further irrevocably consents to the personal jurisdiction of the state and federal courts in the State of Illinois.

19. **Miscellaneous.** This Agreement may be signed in counterparts, both of which shall be deemed an original, but both of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically mailed copy of the Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature. The section headings used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof. This Agreement shall be binding upon and inure to the benefit of the parties and their respective personal representatives, agents, attorneys, executors, administrators, heirs, successors and assigns.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Agreement as of the date first set forth above.

ADDUS HOMECARE CORPORATION (“Company”)

By: /s/ R. Dirk Allison

Name: R. Dirk Allison

Its: President and Chief Executive Officer

MARK S. HEANEY (“Executive”)

/s/ Mark S. Heaney

[Signature Page to Separation Agreement]

EXHIBIT A TO THE SEPARATION AGREEMENT

RELEASE AGREEMENT

In consideration of the promises contained herein and in the Separation Agreement entered into by the parties on March 1, 2016 (the "Agreement"), Addus HomeCare Corporation, a Delaware corporation (the "Company"), and Mark S. Heaney ("you") hereby enter into this release agreement (the "Release Agreement") as of the dates set forth on the signature page hereto.

WHEREAS, the Company and you entered into the Agreement, which includes this Release Agreement as an exhibit thereto; and

WHEREAS, the Company's obligation to pay you the amounts described in Sections 2(a) or 2(c) of the Agreement is conditioned on your execution and non-revocation of this Release Agreement.

NOW THEREFORE, you hereby agree to the following:

1. **General Release of Claims.** In consideration for the amounts described in Sections 2(a) or 2(c) of the Agreement, which you acknowledge are not otherwise owed to you, you understand and agree that you are knowingly and voluntarily releasing, waiving and forever discharging, to the fullest extent permitted by law, on your own behalf and on behalf of your agents, assignees, attorneys, heirs, executors, administrators and anyone else claiming by or through you (collectively referred to as the "Releasors"), the Company and its affiliates, subsidiaries (including, but not limited to, Addus HealthCare, Inc.) and members, predecessors, successors or assigns, and any of its or their past or present parents, affiliates, subsidiaries and members, predecessors, successors or assigns; and any of its or their past or present shareholders; and any of its or their past or present directors, executives, members, officers, insurers, attorneys, employees, consultants, agents, both individually and in their business capacities, and employee benefits plans and trustees, fiduciaries, and administrators of those plans (collectively referred to as the "Released Parties"), of and from any and all claims under local, state or federal law, whether known or unknown, asserted and unasserted, that you and/or the other Releasors have or may have against Released Parties as of the day you sign this Release Agreement, including but not limited to all matters relating to or in any way arising out of any aspect of your employment with the Company, your other service provided to the Company and its affiliates, separation from employment and service with the Company, or your treatment by the Company while in service with and in the employ of the Company or a subsidiary thereof, all claims under any applicable law, and all other claims, charges, complaints, liens, demands, causes of action, obligations, damages (including punitive or exemplary damages), liabilities or the like (including without limitation attorneys' fees and costs) (collectively "Claims"), including but not limited to all Claims for:

(a) salary and other wages, including, but not limited to, overtime if applicable, incentive compensation and other bonuses, severance pay, paid time off, or any benefits under the Employee Retirement Income Security Act of 1974, as amended or any other applicable local, state or federal law;

(b) discrimination, harassment or retaliation based upon race, color, national origin, ancestry, religion, marital status, sex, sexual orientation, citizenship status, pregnancy or any pregnancy related disability, family status, leave of absence (including but not limited to the Family Medical Leave Act or any other federal, state or local leave laws), handicap (including, but not limited to, The Rehabilitation Act of 1973), medical condition or disability, or any other characteristic covered by law under Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Americans with Disabilities Act, as amended, Sections 1981 through 1988 of the Civil Rights Act of 1866, and any other federal, state, or local law prohibiting discrimination in employment, the Worker Adjustment and Retraining Notification Act, or any other federal, state or local law concerning plant shutdowns, mass layoffs, reductions in force or other business restructuring;

(c) discrimination, harassment or retaliation based upon age under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990 and as further amended (the “ADEA”), or under any other federal, state, or local law prohibiting age discrimination;

(d) breach of implied or express contract (whether written or oral), breach of promise, misrepresentation, fraud, estoppel, waiver or breach of any covenant of good faith and fair dealing, including without limitation breach of any express or implied covenants of any employment agreement that may be applicable to you;

(e) defamation, negligence, infliction of emotional distress, violation of public policy, wrongful or constructive discharge, or any employment-related tort recognized under any applicable local, state, or federal law;

(f) any violation of any Fair Employment Practices Act, Equal Rights Act; Civil Rights Act; Minimum Fair Wages Act; Equal Pay Act; or Payment of Wages Act; or any comparable federal, state or local law;

(g) any violation of the Immigration Reform and Control Act, or any comparable federal, state or local law;

(h) any violation of the Fair Credit Reporting Act, or any comparable federal, state or local law;

(i) any violation of the Family and Medical Leave Act;

(j) any violation of the Illinois Human Rights Act, 775 I.L.C.S. §5/1-101 et seq., the Illinois Wage Payment and Collection Law, 820 I.L.C.S. §110/1 et seq., the Illinois Minimum Wage Law, 820 I.L.C.S. §105/1 et seq., the Cook County Human Rights Ordinance, Cook County Code, §42-30 et seq. (if applicable), the Chicago Human Rights Ordinance, Chicago Code, §2-160-010 et seq. (if applicable), or any comparable federal, state or local law and any violation of any comparable statute, regulation, or law of any country or nation;

(k) costs, fees, or other expenses, including attorneys’ fees; and

(l) any other claim, charge, complaint, lien, demand, cause of action, obligation, damages, liabilities or the like of any kind whatsoever, whether under U.S. law, state law or the law of another nation, including, without limitation, any claim that this Agreement was induced or resulted from any fraud or misrepresentation by Company.

Excluded from the release set forth in this Section 1 are: (i) any Claims or rights to enforce this Release Agreement or the Agreement against the Company, (ii) Claims arising after the date you sign this Release Agreement, and (iii) any Claims that you cannot lawfully release. Notwithstanding anything to the contrary contained herein, including in Section 2 below, also excluded from the release set forth in this Section 1 is your right to file a charge with an administrative agency (including the Equal Employment Opportunity Commission and the National Labor Relations Board) or participate in any agency investigation. You are, however, to the extent allowed by law, waiving your right to recover money or other damages in connection with any such charge or investigation. You are also, to the extent allowed by law, waiving your right to recover money in connection with a charge filed by any other individual or by the Equal Employment Opportunity Commission, National Labor Relations Board or any other federal, state or local agency.

Furthermore, notwithstanding anything herein to the contrary, nothing in the Agreement or this Release Agreement shall (x) prohibit you from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation, or (y) require notification or prior approval by the Company of any reporting described in clause (x).

2. Additional Agreements by Employee.

(a) BY SIGNING THIS RELEASE AGREEMENT YOU ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHTS (KNOWN OR UNKNOWN) TO BRING OR PROSECUTE A LAWSUIT OR MAKE ANY LEGAL CLAIM AGAINST THE RELEASED PARTIES WITH RESPECT TO ANY OF THE CLAIMS DESCRIBED ABOVE IN SECTION 1. You agree that the release set forth above will bar all claims or demands of every kind, known or unknown, referred to above in Section 1 and further agree that no non-governmental person, organization or other entity acting on your behalf has in the past or will in the future file any lawsuit, arbitration or proceeding asserting any claim that is waived or released under this Release Agreement. If you break this promise and file a lawsuit, arbitration or other proceeding asserting any Claim waived in this Release Agreement, (i) you will pay for all costs, including reasonable attorneys' fees, incurred by the Released Parties in defending against such Claim (unless such Claim is a charge with the Equal Employment Opportunity Commission or the National Labor Relations Board); (ii) you give up any right to individual damages in connection with any administrative, arbitration or court proceeding with respect to your employment with and/or termination from employment with the Company, including damages, reinstatement or attorneys' fees; and (iii) if you are awarded money damages, you will assign to the Released Parties your right and

interest to all such money damages. If any claim is not subject to release, to the extent permitted by law, you waive any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Company or any other Released Party is a party. Furthermore, if you are made a member of a class or collective action in any proceeding without your prior knowledge or consent, you agree to opt out of the class or collective action at the first opportunity. Notwithstanding the foregoing, this Section 2 does not limit your right to challenge the validity of this Release Agreement in a legal proceeding under the Older Workers Benefit Protection Act, 29 U.S.C. § 626(f), with respect to claims under the ADEA. This Section 2 also is not intended to and shall not limit the right of a court to determine, in its discretion, that the Company is entitled to restitution, recoupment or setoff of any payments made to you by the Company should this Release Agreement be found to be invalid as to the release of claims under the ADEA.

(b) You agree that you shall not solicit, encourage, assist or participate (directly or indirectly) in bringing any Claims or actions against any of the Released Parties by other current or former employees, officers or third parties, except as compelled by subpoena or other court order or legal process, and only after providing the Company with prior notice of any such subpoena, order or legal process and an opportunity to timely contest such process. Notwithstanding the foregoing, nothing in this Release Agreement shall preclude you from making truthful statements that are required by applicable law, regulation or legal process.

(c) You represent and warrant that you have not filed any administrative, judicial or other form of complaint or initiated any claim, charge, complaint or formal legal proceeding, nor are you a party to any such claim, against any of the Released Parties, and that you will not make such a filing at any time hereafter based on any events or omissions occurring prior to the date of execution of this Release Agreement. You understand and agree that this Release Agreement will be pleaded as a full and complete defense to any action, suit or proceeding which is or may be instituted, prosecuted or maintained by you, your agents, assignees, attorneys, heirs, executors, administrators and anyone else claiming by or through you.

(d) You agree that you will reasonably cooperate with the Company, its parents, subsidiaries or affiliates with respect to matters or issues which took place or arose during your tenure with the Company, specifically including, without limitation, any attorney retained by any of them, in connection with any pending or future internal investigation or judicial, administrative or regulatory matter, proceeding or investigation. The parties acknowledge and agree that such reasonable cooperation may include, but shall not be limited to, your making yourself available for meetings, interviews, depositions, statements, testimony or the signing of affidavits, and providing to the Company any documents or information in your possession or under your control relating to any such internal investigation or judicial, administrative or regulatory matter, proceeding or investigation, provided that any such meetings, interviews, depositions, statements or testimony do not unduly interfere with your work schedule, or other post-Company duties. The Company shall pay (or reimburse, if already paid by you) all

reasonable, out-of-pocket expenses actually incurred in connection with your cooperation and assistance including, without limitation, reasonable fees and disbursements of counsel, if any, chosen by you if you reasonably determine in good faith, on the advice of counsel, that the Company's counsel may not ethically represent you in connection with such action, suit or proceeding due to actual conflicts of interests. You represent and warrant that you have and will accurately, completely and truthfully disclose to the Company any and all materials and information requested, including, without limitation, in connection with any pending or future internal investigation or judicial, administrative or regulatory matter, proceeding or investigation involving conduct in which you were involved or had knowledge in connection with your employment with the Company.

(e) You agree to cooperate with Company and take all necessary steps to effectuate this Release Agreement, each of its terms and the intent of the parties.

3. **Affirmations.** In signing this Release Agreement, you are affirming that:

(a) Other than as described in Section 2(d) of the Agreement, you have been paid and/or have received all compensation, wages, bonuses, commissions, overtime and/or benefits to which you may be entitled. You affirm that you have been granted or not been denied any leave to which you were entitled under the Family and Medical Leave Act or related state or local leave or disability accommodation laws;

(b) Other than as described in Section 2 of the Agreement, you are not eligible to receive payments or benefits under any other Company and/or other Released Party's severance pay policy, plan, practice or arrangement;

(c) You have no known workplace injuries or occupational diseases;

(d) You have not complained of and you are not aware of any fraudulent activity or any act(s) which would form the basis of a claim of fraudulent or illegal activity by the Company or any other Released Party that you have not reported to the Company in writing. You also affirm that you have not been retaliated against for reporting any allegations of wrongdoing by any Released Party, including any allegations of corporate fraud. Both parties acknowledge that this Release Agreement does not limit either party's right, where applicable, to file or to participate in an investigative proceeding of any federal, state or local governmental agency. To the extent permitted by law, you agree that if such an administrative claim is made, you shall not be entitled to recover any individual monetary relief or other individual remedies;

(e) You acknowledge and agree that all of the Company's decisions regarding your pay and benefits through the date of your execution of this Release Agreement were not discriminatory based on age, disability, race, color, sex, religion, national origin, or any other classification protected by law;

(f) On or about your last day of employment, the Company provided you with timely and adequate notice of your right to continue group insurance benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") (unless such notice was not required to be given because, on the day before termination, you did not receive group health insurance benefits through the Company and thus are not a qualified beneficiary within the meaning of COBRA); and

(g) You acknowledge and agree that if you breach the provisions of this Release Agreement or the Agreement (including, but not limited to, Sections 4, 5, 6, 7, and/or 8 of the Agreement), that the Company will have the right to seek an appropriate remedy against you, which may include, but not be limited to, injunctive relief, the return of the Severance Amount (as defined in the Agreement), other monetary damages, and the payment of the Company's attorneys' fees. Additionally, if you breach this Release Agreement or the Agreement, the Company shall have the right, without waiving any other remedies in law or equity, to cease any further payments of the Severance Amount. Notwithstanding such cessation of payments, all of your obligations hereunder shall be continuing and enforceable including, but not limited to, your release of claims, and the Company shall be entitled to pursue all remedies against you available at law or in equity for such breach.

4. **Governing Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Illinois, without giving effect to any choice of law rules or other conflicting provision of rule that would cause the laws of any other jurisdiction to be applied.

5. **Arbitration.** Each of the Parties hereto hereby agrees that, except as set forth below, any controversy or claim arising out of or relating to the Agreement or this Release Agreement (including, without limitation, as to arbitrability and any disputes with respect to the Executive's employment with the Company or the termination of such employment), or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect as of the date of filing of the arbitration administered by a person authorized to practice law in the State of Illinois and mutually selected by the Company and the Executive (the "Arbitrator"). If the Company and the Executive are unable to agree upon the Arbitrator within fifteen (15) days, they shall each select an arbitrator within fifteen (15) days, and the arbitrators selected by the Company and the Executive shall appoint a third arbitrator to act as the Arbitrator within fifteen (15) days (at which point the Arbitrator alone shall judge the controversy or claim). The arbitration hearing shall commence within ninety (90) calendar days after the Arbitrator is selected, unless the Company and the Executive mutually agree to extend this time period. The arbitration shall take place in Chicago, Illinois. The Arbitrator will have full power to give directions and make such orders as the Arbitrator deems just. Nonetheless, the Arbitrator explicitly shall not have the authority, power, or right to alter, change, amend, modify, add, or subtract from any provision of the Agreement or this Release Agreement (except pursuant to Section 11 of the Agreement). The Arbitrator shall issue a written decision that sets forth the essential findings and conclusions upon which the Arbitrator's award or decision is based within thirty (30) days after the conclusion of the arbitration hearing. The agreement to arbitrate will be specifically enforceable. The award rendered by the Arbitrator shall be final and binding (absent fraud or manifest error), and any arbitration award may be enforced by judgment entered in any court of competent jurisdiction. The Company and the Executive shall each pay one-half (1/2) of the fees of the Arbitrator. Either Party may seek and obtain from a court any injunctive or equitable relief necessary to maintain (and/or to restore) the status quo or to prevent the possibility of irreversible or irreparable harm pending final resolution of arbitration proceedings. For any such action, the Executive further irrevocably consents to the personal jurisdiction of the state and federal courts in the State of Illinois.

6. **Amendment.** You understand and agree that this Release Agreement may not be modified, altered or changed except upon express written consent of both parties wherein specific reference is made to this Release Agreement.

7. **Right to Consider, Rescind and Revoke Acceptance.** This Release Agreement is intended to comply with the Older Workers Benefit Protection Act of 1990 with regard to your waiver of rights under the ADEA. In signing this Release Agreement, you understand and agree that:

(a) You are specifically advised to consult with an attorney of your own choosing before you sign this Release Agreement, as it waives and releases rights you have or may have under federal, state and local law, including, but not limited to, the ADEA. You acknowledge that you will bear all expenses incurred by you in the negotiation and preparation of this Release Agreement, and the Company will bear all fees incurred by it.

(b) You will have up to twenty-one (21) calendar days from the Separation Date (as defined in the Agreement) to decide whether to accept and sign this Release Agreement. In the event you do sign this Release Agreement, you may revoke or rescind your acceptance within seven (7) calendar days of signing it, and it will not become effective or enforceable until the eighth (8th) day after you sign it (the "Release Agreement Effective Date"). In order to effectively revoke or rescind your acceptance, the revocation or rescission must be in writing and postmarked within the seven (7) calendar day period, and properly addressed to:

Addus HomeCare Corporation
2300 Warrenville Road
Downers Grove, Illinois 60065
Attention: General Counsel

You acknowledge that if you do not accept this Release Agreement in the manner described above, it will be withdrawn and of no effect. You acknowledge and agree that, if you revoke your acceptance of this Agreement, you shall receive none of the Severance Amount provided for in the Agreement and this Release Agreement and the Agreement shall be null and void, having have no further force or effect, and that this Release Agreement and the Agreement will not be admissible as evidence in any judicial, administrative or arbitral proceeding or trial. You further acknowledge that if the Release Agreement is not revoked in the time period set forth above, you shall have forever waived your right to revoke this Release Agreement, and it shall thereafter have full force and effect as of the Release Agreement Effective Date. For the avoidance of doubt, this Release Agreement must be executed and not revoked by you no later than March 15, 2016.

(c) Any and all questions regarding the terms of this Release Agreement have been asked and answered to your complete satisfaction.

(d) You acknowledge that the consideration provided for hereunder is in addition to anything of value to which you already are entitled and the consideration provided for herein is good and valuable.

(e) You are entering into this Release Agreement voluntarily, of your own free will, and without any coercion or undue influence of any kind or type whatsoever.

(f) Any modifications of or revisions to this Release Agreement do not re-start the consideration period, described in paragraph (b) of this Section 7.

(g) You understand that the releases contained in this Release Agreement do not extend to any rights or claims that you have under the ADEA that first arise after execution of this Release Agreement.

[signatures on following page]

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Release Agreement as of the dates set forth below.

ADDUS HOMECARE CORPORATION (“Company”)

By: /s/ R. Dirk Allison
Name: R. Dirk Allison
Its: President and Chief Executive Officer
Date: March 1, 2016

I have decided to accept this Release Agreement, to fulfill the promises I have made in the Agreement and in this Release Agreement, and to receive the Severance Amount or the Change in Control Severance Amount described in Section 2 of the Agreement. I hereby freely and voluntarily assent to all the terms and conditions in this Release Agreement and reaffirm my obligations under the Agreement. I understand that this Release Agreement will become a binding agreement between the Company and me as of the eighth (8th) day after I sign it, and I am signing this Release Agreement as my own free act with the full intent of releasing the Released Parties from all Claims, as described in Section 1 above, including but not limited to those under the Age Discrimination in Employment Act (ADEA).

/s/ Mark S. Heaney

Date: February 26, 2016

Mark S. Heaney