

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): August 19, 2009

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

Nevada
(State or other
jurisdiction of incorporation)

0-21617
(Commission
File Number)

23-2577138
(I.R.S. Employer
Identification No.)

Kells Building,
621 Shady Retreat Road, P.O. Box 1349
Doylestown, PA
(Address of principal executive offices)

18901
(Zip Code)

Registrant's telephone number, including area code: **(215) 345-0919**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 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

On August 19, 2009, The Quigley Corporation (the “**Company**”) entered into a standard form of indemnity agreement with each member of its Board of Directors and Robert V. Cuddihy, the Chief Operating Officer of the Company. These agreements provide, among other things, that the Company will indemnify each Director and Mr. Cuddihy (each, an “**Indemnitee**”) in the event that the Indemnitee becomes a party or otherwise a participant in any action or proceeding on account of the Indemnitee’s service as a Director or Officer of the Company (or service for another corporation or entity in any capacity at the request of the Company) to the fullest extent permitted by applicable law. Under the indemnity agreement, the Company will pay, in advance of the final disposition of any such action or proceeding, expenses (including attorneys’ fees) incurred by the Indemnitee in defending or otherwise responding to such action or proceeding upon receipt of a written undertaking from the Indemnitee to repay the amount advanced consistent with applicable law in the event that a court shall ultimately determine that he or she is not entitled to be indemnified for such expenses. The contractual rights to indemnification provided by the indemnity agreements are subject to the limitations and conditions specified in the agreements, and are in addition to any other rights each Indemnitee may have under the Company’s Articles of Incorporation and Amended and Restated Bylaws, each as amended from time to time, and applicable law.

A copy of the form of the indemnity agreement with each Director and Mr. Cuddihy is annexed to this Current Report on Form 8-K as Exhibit 10.1 hereof.

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

(e) On August 19, 2009, the Company entered into employment agreements, effective as of July 15, 2009, with each of (i) Ted Karkus, Chairman and Chief Executive Officer of the Company, and (ii) Robert V. Cuddihy, Chief Operating Officer of the Company.

Under his employment agreement with the Company, which has a three year term, Mr. Karkus will earn a salary of \$750,000 per year as Chief Executive Officer and will receive regular benefits routinely provided to senior executives of the Company. He is eligible to receive an annual increase in base salary and may be awarded a bonus, payable in cash or stock, each in the sole discretion of the Board of Directors. Mr. Karkus is also subject to non-competition restrictions for the entire duration of the agreement and for a period of eighteen (18) months thereafter.

In the event of the termination by the Company of the employment of Mr. Karkus without cause or due to a voluntary resignation by him with Good Reason (as defined in the agreement), Mr. Karkus will be paid a lump sum severance payment in cash equal to the greater of (A) the amount equal to eighteen (18) months base salary or (B) the amount equal to the his base salary for the remainder of the term as if the agreement had not been terminated. Additionally, Mr. Karkus is entitled to receive a lump sum severance payment in cash equal to the greater of A or B, if he, within twenty four (24) months of a Change in Control (as defined in the agreement) of the Company, is terminated without cause or due to a voluntary resignation by him with Good Reason (as defined in the agreement).

Mr. Cuddihy will earn a salary of \$275,000 per year as Chief Operating Officer and will receive regular benefits routinely provided to senior executives of the Company. The term of his employment agreement is three years. Mr. Cuddihy will also receive an annual grant of shares of common stock of the Company that is equal to \$50,000, payable quarterly, promptly following the close of each quarter. The value of the shares will be calculated based on the average closing price of the Company's shares for the first five (5) trading days of the quarter in which the shares are earned. He is eligible to receive an annual increase in base salary and may be awarded a bonus, payable in cash or stock, each in the sole discretion of the Board of Directors. Mr. Cuddihy is also subject to non-competition restrictions for the entire duration of the agreement and for a period of eighteen (18) months thereafter.

In the event of the termination by the Company of the employment of Mr. Cuddihy without cause or due to a voluntary resignation by him with Good Reason (as defined in the agreement), Mr. Cuddihy will be paid a lump sum severance payment in cash equal to the greater of (Y) the amount equal to eighteen (18) months of base salary plus \$50,000, or (Z) the amount equal to base salary, plus any amounts owed to Mr. Cuddihy under Section 4(c) of the agreement with respect to the grant of shares equal to \$50,000 per year, owed throughout the remainder of the term as if the agreement had not been terminated. Additionally, Mr. Cuddihy is entitled to receive a lump sum severance payment in cash equal to the greater of Y or Z, if he, within twenty four (24) months of a Change in Control (as defined in the agreement) of the Company, is terminated without cause or due to a voluntary resignation by him with Good Reason (as defined in the agreement).

Copies of the forms of employment agreements with Messrs Karkus and Cuddihy are annexed to this Current Report on Form 8-K as Exhibits 10.2 and 10.3 hereof.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>No.</u>	<u>Description</u>
10.1	Form of Indemnity Agreement, dated as of August 19, 2009, by and between the Company and the Company's Directors and Robert V. Cuddihy.
10.2	Employment Agreement, dated as of August 19, 2009, by and between the Company and Ted Karkus.
10.3	Employment Agreement, dated as of August 19, 2009, by and between the Company and Robert V. Cuddihy.

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.

The Quigley Corporation

By: /s/ Ted Karkus

Ted Karkus
Chief Executive Officer

Date: August 19, 2009

EXHIBIT INDEX

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INDEMNIFICATION AGREEMENT

This AGREEMENT is made and entered into as of August 19, 2009, between **THE QUIGLEY CORPORATION**, a corporation organized under the laws of the State of Nevada (the "Corporation"), and _____ ("Indemnitee").

WHEREAS, it is essential to the Corporation to retain and attract as officers and directors of the Corporation the most capable persons available; and

WHEREAS, the Corporation has requested that Indemnitee become or remain an officer and/or director of the Corporation; and

WHEREAS, both the Corporation and Indemnitee recognize the increased risk of litigation and other claims being asserted against officers and directors of companies in today's environment; and

WHEREAS, the Corporation's By-Laws provide that the Corporation will indemnify its officers and directors to the fullest extent permitted by law and will advance expenses in connection therewith, and Indemnitee's willingness to serve as an officer and/or director of the Corporation is based in part on Indemnitee's reliance on such provisions; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's service to the Corporation in an effective manner, and Indemnitee's reliance on the aforesaid provisions of the By-Laws, and in part to provide Indemnitee with specific contractual assurance that the protection promised by such provisions will be available to Indemnitee regardless of, among other things, any amendment to or revocation of such provisions or any change in the composition of the Corporation's Board of Directors or any acquisition or business combination transaction relating to the Corporation, the Corporation wishes to provide in this Agreement for the indemnification and advancement of expenses to Indemnitee as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the parties hereto hereby agree as follows:

1. *Indemnity.*

(a) To the fullest extent permitted by law (and regardless of any future provision of the Articles of Incorporation (the "Articles") or any By-Law to the contrary), the Corporation shall indemnify Indemnitee in the event Indemnitee is made, or threatened to be made, a party or a witness, or is otherwise a participant in or to, an action, investigation or proceeding, whether civil, administrative or criminal (including but not limited to an action, investigation or proceeding by or in the right of the Corporation or by or in the right of any other corporation or business entity of any type or kind, domestic or foreign, which any officer and/or director of the Corporation served in any capacity at the request of the Corporation), by reason of the fact that Indemnitee is or was an officer and/or director of the Corporation (or served any other corporation or business entity of any type or kind, domestic or foreign, in any capacity at the request of the Corporation). The foregoing indemnification shall be from and against all judgments, fines, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such action, suit, investigation or proceeding, or any appeal therein. The Corporation shall pay, in advance of final disposition of any such action, suit, investigation or proceeding, expenses (including attorneys' fees) incurred by Indemnitee in defending or otherwise responding to such action or proceeding upon receipt of (1) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that Indemnitee has met the standard of conduct necessary for indemnification by the Corporation, and (2) a written undertaking by or on behalf of Indemnitee to repay the amounts advanced if it is determined in a final order issued by a court of competent jurisdiction from which no appeal may be taken that the Indemnitee did not meet the required standard of conduct. The aforesaid written affirmation and undertaking shall be consistent with provisions of applicable law, including but not limited to the Nevada General Corporation Law. For purposes of this Agreement, references to "serving at the request of the Corporation" shall include any service as an officer and/or director of the Corporation which imposes duties on, or involves services by, such an officer and/or director with respect to an employee benefit plan or its participants or beneficiaries, including but not limited to service as a trustee or administrator of any such benefit plan.

(b) Notwithstanding anything to the contrary in Section 1(a), the Corporation shall indemnify Indemnitee in any action, suit or proceeding initiated by Indemnitee only if Indemnitee acted with the authorization of the Corporation in initiating that action, suit investigation or proceeding; *provided, however*, that any action or proceeding brought under Section 9 shall not be subject to this Section 1(b), and it is expressly agreed that the Corporation shall bear any and all fees and expenses incurred by Indemnitee in seeking to enforce this agreement.

(c) Indemnitee shall be presumed to be entitled to indemnification for matters covered in this Agreement. The burden of proof of establishing that Indemnitee is not entitled to indemnification shall be on the Corporation.

(d) Neither the Corporation nor Indemnitee shall unreasonably withhold their consent to any proposed settlement of an indemnified claim, provided, however, that no party shall be required to admit liability in connection with any proposed settlement and Indemnitee shall not be required to bear any cost or expense in connection with any proposed settlement of an indemnifiable claim.

2. *Partial Indemnity; Successful Defense.*

(a) If Indemnitee is entitled under any provisions of this Agreement to indemnification by the Corporation for some or a portion of the expenses, judgments, fines, taxes, penalties and amounts paid in settlement but not for the total amount thereof, the Corporation shall indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(b) To the extent that Indemnitee has been successful on the merits or otherwise in defense or settlement of any action, suit, investigation or proceeding or in defense of any issue or matter therein, including, without limitation, dismissal without prejudice, Indemnitee shall be indemnified against any and all expenses (including but not limited to attorneys' fees), judgments, fines, taxes, penalties and amounts paid in settlement with respect to such action, suit or proceeding. Moreover, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all claims relating in whole or in part to an indemnifiable event or in defense of any issue or matter therein, including, without limitation, dismissal without prejudice, Indemnitee shall be indemnified against all costs, charges and expenses, including, without limitation, attorneys' fees and other fees and expenses, incurred in connection therewith without further action or determination.

(c) For purposes of this Agreement, the termination of any action, suit, investigation or proceeding, by judgment, order, settlement (whether with or without court approval), shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law or this Agreement.

3. Notice by Indemnitee.

Indemnitee shall notify the Corporation in writing of any matter with respect to which Indemnitee intends to seek indemnification hereunder as soon as reasonably practicable following the receipt by Indemnitee of written threat thereof; *provided, however*, that failure to so notify the Corporation shall not constitute a waiver by Indemnitee of his rights hereunder.

4. Advancement of Expenses.

In the event of any action, suit, investigation or proceeding against Indemnitee which may give rise to a right of indemnification from the Corporation pursuant to this Agreement, following written request to the Corporation by Indemnitee, the Corporation shall advance to Indemnitee (or, at the request of the Indemnitee, to such parties as are conducting the defense of any indemnified claim) amounts to cover expenses incurred by Indemnitee in defending or otherwise responding to or participating in any such action, suit, investigation or proceeding in advance of the final disposition thereof upon receipt of (a) an Undertaking by or on behalf of Indemnitee substantially in the form annexed hereto as Exhibit A to repay the amount advanced in the event it shall ultimately be determined by a court of competent jurisdiction from which no appeal can be taken that Indemnitee is not entitled to be indemnified by the Corporation (the "Undertaking"), and (b) reasonably satisfactory evidence as to the amount of such expenses. Indemnitee's Undertaking together with a copy of an expense statement billed to Indemnitee or paid or to be paid by Indemnitee shall constitute satisfactory evidence as to the amount of expenses to be advanced by the Corporation. Following receipt of an Undertaking, the Corporation shall, within 30 calendar days after receiving expense statements, make payment of the expenses stated therein. No security shall be required in connection with any Undertaking and any Undertaking shall be accepted without reference to the Indemnitee's ability to make repayment.

5. Non-Exclusivity of Right of Indemnification.

(a) The indemnification rights granted to Indemnitee under this Agreement shall not be deemed exclusive of, or in limitation of, any other rights that are more beneficial to Indemnitee to which Indemnitee may be entitled under Nevada law, the Corporation's articles of incorporation or by-laws, any other agreement, any vote of shareholders or directors or otherwise. To the extent any applicable law, the Corporation's articles of incorporation or by-laws, as in effect on the date hereof or at any time in the future, permit greater or less limited or less conditional indemnification or advance payment of expenses than is provided for in this Agreement, Indemnitee shall enjoy such greater or less limited or less conditional benefits so afforded, and this Agreement shall be deemed amended without any further action by the Corporation or Indemnitee to grant such greater benefits. It is the intention of the parties that nothing in this Agreement shall limit or abridge the indemnification rights of Indemnitee as set forth in the Articles, in any by-laws, in any directors' and officers' liability insurance coverage, or otherwise. Accordingly, in the event there is a conflict between any provision in this Agreement and any provision of the Articles or any by-law provision now in effect or which may be in effect in the future, the controlling provision shall be that provision which would be more favorable to Indemnitee and would result in broader and more expansive indemnification rights in favor of Indemnitee.

(b) Indemnitee shall be entitled, in the sole discretion of Indemnitee, to elect to have Indemnitee's rights hereunder interpreted on the basis of applicable law in effect (i) at the time of execution of this Agreement, or (ii) at the time of the occurrence of the indemnifiable event giving rise to a claim, or (iii) at the time indemnification is sought.

6. Contribution.

If the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Corporation, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for expenses, judgments, fines, taxes, penalties and amounts paid in settlement in connection with any action, suit, investigation or proceeding, in such proportion as is fair and reasonable in light of all of the circumstances of such action by board action, arbitration or by the court before which such action was brought in order to reflect (a) the relative benefits received by the Corporation and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such action; and/or (b) the relative fault of the Corporation (and its other directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s). Indemnitee's right to contribution under this Section 6 shall be determined in accordance with, pursuant to and in the same manner as, the provisions in Sections 1 and 2 relating to Indemnitee's right to indemnification under this Agreement.

7. Liability Insurance.

(a) To the extent the Corporation maintains at any time an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any other an officer and/or director of the Corporation under such insurance policy.

(b) The purchase and maintenance of such insurance shall not in any way limit or affect the rights and obligations of the parties hereto, and the execution and delivery of this Agreement shall not in any way be construed to limit or affect the rights and obligations of the Corporation and/or of the other parties under any such insurance policy.

(c) The provisions of this Section 7 shall neither (i) restrict the Corporation's right to purchase any type of Officers' and/or Directors' liability coverage (or any other insurance coverage that is reserved to or benefits solely or primarily independent or non-executive directors), nor (ii) afford any officer or non-executive director who is not insured under any such insurance policy a claim against the Corporation, the Indemnitee, or any other entity arising from the purchase or existence of such insurance coverage.

8. Termination of Agreement and Survival of Right of Indemnification.

The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Corporation, by agreement in form and substance reasonably satisfactory to the then-current Board of Directors of the Corporation, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Corporation would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Corporation and any successor to the Corporation, including, without limitation, any person acquiring directly or indirectly all or substantially all of the business or assets of the Corporation whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Corporation" for purposes of this Agreement), but this Agreement will not otherwise be assignable, transferable or delegable by the Corporation. The rights granted to Indemnitee hereunder shall continue and survive any termination of this Agreement and any termination of Indemnitee's service as an officer and/or director of the Corporation and shall inure to the benefit of Indemnitee, Indemnitee's personal representatives, heirs, executors, administrators and beneficiaries.

9. Resolution of All Disputes Concerning Entitlement.

(a) It is intent of the Corporation that the Indemnitee not be required to incur the expenses associated with the enforcement of Indemnitee's rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. Accordingly, if it should appear to the Indemnitee that the Corporation has failed to comply with any of its obligations under this Agreement or in the event that the Corporation or any other person takes any action to declare this Agreement void or unenforceable, or institutes any action, suit, investigation or proceeding designed (or having the effect of being designed) to deny, or to recover from, the Indemnitee the benefits intended to be provided to the Indemnitee hereunder, the Corporation irrevocably authorizes the Indemnitee from time to time to retain counsel of Indemnitee's choice, at the expense of the Corporation as hereinafter provided, to represent the Indemnitee in connection with the initiation or defense of any litigation or other legal action, whether by or against the Corporation or any director, officer, stockholder or other person affiliated with the Corporation, in any jurisdiction. Regardless of the outcome thereof, the Corporation shall pay and be solely responsible for any and all costs, charges and expenses, including, without limitation, attorneys' and other fees and expenses, reasonably incurred by the Indemnitee as a result of the Corporation's failure to perform this Agreement or any provision thereof.

(b)The exclusive forum for resolution of any controversy or claim arising out of or relating to this Agreement or Indemnitee's entitlement to indemnification under this Agreement shall be the Federal and State Courts situated in the County of New York, State of New York, and the parties hereby consent to the exclusive jurisdiction and venue of said courts and waive any claim that said courts do not constitute a convenient or appropriate venue, and agrees that service of process may be effected in any such action, suit or proceeding by notice given in accordance with Section 11.

10. Amendments, Etc.

Except as provided in Section 5, no supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. No provision of this Agreement may be waived, modified or discharged unless such waiver, modification or discharge is agreed to in writing signed by Indemnitee and the Corporation. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

11. Notices.

All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand or when mailed by certified registered mail, return receipt requested, with postage prepaid:

(a) If to Indemnitee, to the corporate address of the Corporation provided directly below.

(b) If to the Corporation, to:

The Quigley Corporation
Kells Building,
621 Shady Retreat Road, P.O. Box 1349
Doylestown, PA 18901
c/o Chief Executive Officer

-with copies to-

The Board of Directors of The Quigley Corporation

-and-

Herbert F. Kozlov, Esq.
Reed Smith LLP
599 Lexington Avenue
NY, NY 10022

or to such person or address as Indemnitee or the Corporation shall furnish to the other party in writing pursuant to the above.

12. Severability.

If any provision of this Agreement is determined to be invalid, illegal or unenforceable, this invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement, and there shall be substituted for the provision at issue a valid and enforceable provision as similar as possible to the provision at issue.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above stated.

THE QUIGLEY CORPORATION:

By: _____
Name: Ted Karkus
Title: Chairman and Chief Executive Officer

INDEMNITEE:

Name:

EXHIBIT A—GENERAL FORM OF UNDERTAKING

1. This Statement is submitted pursuant to the Indemnity Agreement effective _____, 2009 between **THE QUIGLEY CORPORATION**, a corporation organized and existing under the laws of the State of Nevada, (the "Corporation") and the undersigned.

2. I am requesting indemnification against expenses (including attorneys' fees) and judgments, fines and amounts paid in settlement, all of which have been or will be actually and reasonably incurred by me or on my behalf in connection with a certain action, suit, investigation or other proceeding to which I am a party or am threatened to be made a party, or in which I am or may be participating, by reason of the fact that I am or was an officer and/or director of the Corporation.

3. With respect to all matters related to any such action, suit, investigation or other proceeding, I believe I acted in good faith and in a manner I reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, I had no reason to believe that my conduct was unlawful.

4. I hereby affirm that I believe in good faith belief that I have met the standard of conduct necessary for indemnification by the Corporation. I hereby undertake to repay this advancement of expenses if it shall ultimately be determined pursuant to a final order from which no appeal can be taken of a court of competent jurisdiction that I am not entitled to be indemnified by the Corporation under the aforesaid Indemnification Agreement or otherwise.

5. I am requesting indemnification in connection with the following matter: [PROVIDE DETAILS]

Name of Indemnitee

Dated: _____

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), is made as of August 19, 2009, effective as of July 15, 2009 by and between **THE QUIGLEY CORPORATION**, a corporation organized under the laws of the State of Delaware (the "Company"), and **TED KARKUS** ("Executive").

WITNESETH:

WHEREAS, the Company and Executive desire to provide for the employment of the Executive as the Chief Executive Officer of the Company, to engage in such activities and to render such services under the terms and conditions hereof;

WHEREAS, the Company appointed the Executive as Chief Executive Officer on July 15, 2009, and has authorized and approved the execution of this Agreement, and Executive desires to be employed by the Company under the terms and conditions hereinafter provided; and

WHEREAS, this Agreement constitutes the entire understanding and agreement between the Company and Executive regarding its subject matter and supersedes all prior or contemporaneous negotiations and agreements, whether oral or written, between them with respect to such subject matter.

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

1. Effective Date, Appointment, Title and Duties. The effective date of this Agreement is July 15, 2009 ("Effective Date"). As of the Effective Date, the Company employs Executive to serve as its Chief Executive Officer. In such capacity, Executive shall report to the Board of Directors of the Company, and shall have such duties, powers and responsibilities as are customarily assigned to a Chief Executive Officer of a publicly held corporation, but shall also be responsible to the Board of Directors and to any committee thereof. In addition, Executive shall have such other duties and responsibilities as the Board of Directors may reasonably assign him, with his consent, including serving with the consent or at the request of the Board of Directors as an officer or on the board of directors of affiliated corporations, *provided* that such duties are commensurate with and customary for a senior executive officer bearing Executive's experience, qualifications, title and position.

2. Term of Agreement. The term of the Executive's employment under this Agreement shall commence on the Effective Date and shall terminate on July 15, 2012.

3. Acceptance of Position. Executive accepts the position of Chief Executive Officer, and agrees that during the term of this Agreement he will faithfully perform his duties and, except as expressly approved by the Board of Directors, will devote substantially all of his business time to the business and affairs of the Company, and will not engage, for his own account or for the account of any other person or entity, in a business which directly competes with the Company. It is acknowledged and agreed that Executive may serve as an officer and/or director of companies in which the Company owns voting or non-voting stock. In addition, it is acknowledged and agreed that Executive may, from time to time, serve as a member of the board of directors of other companies, in which event the Board of Directors of the Company must expressly approve such service pursuant to a Board resolution maintained in the Company's minute books. Any compensation or remuneration which Executive receives in consideration of his service on the board of directors of other companies shall be the sole and exclusive property of Executive, and the Company shall have no right or entitlement at any time to any such compensation or remuneration.

4. Salary and Benefits. During the term of this Agreement:

(a) The Company shall pay to Executive a base salary at an annual rate of not less than Seven Hundred Fifty Thousand Dollars (\$750,000) per annum (Base Salary"), paid in approximately equal installments at intervals based on any reasonable Company policy. The Company agrees from time to time to consider increases in such base salary in the discretion of the Board of Directors. Any increase, once granted, shall automatically amend this Agreement to provide that thereafter Executive's base salary shall not be less than the annual amount to which such base salary has been increased.

(b) During the term hereof, Executive shall be eligible to participate in all health, retirement, Company-paid insurance, sick leave, vacation, disability, expense reimbursement and other benefit programs which the Company or its subsidiaries makes available to any of its senior executives.

(c) Executive may be awarded an annual bonus (in cash or stock of the Company) in the sole discretion of the Board of Directors. Executive also shall be eligible to participate in any Company incentive stock, option or bonus plan offered by the Company to its senior executives, subject to the terms thereof and at the sole discretion of the Board of Directors.

5. Certain Terms Defined. For purposes of this Agreement:

(a) Executive shall be deemed to be "disabled" if a physical or mental condition shall occur and persist which, in the written opinion of a licensed physician selected by the Board of Directors in good faith, has rendered Executive unable to perform the duties set forth in Section 1 hereof for a period of sixty (60) days or more and, in the written opinion of such physician, the condition will continue for an indefinite period of time, rendering Executive unable to return to his duties.

(b) A termination of Executive's employment by the Company shall be deemed for "Cause" if, and only if, it is based upon (i) conviction of a felony by a federal or state court of competent jurisdiction; (ii) material disloyalty to the Company such as embezzlement, misappropriation of corporate assets or, except as permitted pursuant to Section 3 of this Agreement, breach of Executive's agreement not to engage in business for another enterprise of the type engaged in by the Company; or (iii) the engaging in unethical or illegal behavior which is of a public nature, brings the Company into disrepute, and result in material damage to the Company. The Company shall have the right to suspend Executive with pay, for a reasonable period to investigate allegations of conduct which, if proven, would establish a right to terminate this Agreement for Cause, or to permit a felony charge to be tried. Immediately upon the conclusion of such temporary period, unless Cause to terminate this Agreement has been established, Executive shall be restored to all duties and responsibilities as if such suspension had never occurred.

(c) A resignation by Executive shall not be deemed to be voluntary and shall be deemed to be a resignation with “Good Reason” if it is based upon (i) a diminution in Executive’s title, duties, or salary; (ii) a material reduction in benefits; (iii) a direction by the Board of Directors that Executive report to any person or group other than the Board of Directors, or (iv) a geographic relocation of Executive’s place of work a distance for more than sixty (60) miles from the Company’s offices located in Doylestown, Pennsylvania.

(d) “Affiliate” means with respect to any Person, a Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control, with the Person specified.

(e) “Base Salary” means, as of any date of termination of employment, the highest base salary of Executive in the then current fiscal year or in any of the last four fiscal years immediately preceding such date of termination of employment.

(f) “Beneficial Owner” shall have the meaning given to such term in Rule 13d-3 under the Exchange Act.

(g) A “Change in Control” occurs if:

(i) Any Person or related group of Persons (other than Executive and his Related Persons, the Company or a Person that directly or indirectly controls, is controlled by, or is under common control with, the Company) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company’s then outstanding securities;

(ii) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation (or other entity), other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 66-2/3% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; *provided, however*, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person acquires 30% or more of the combined voting power of the Company's then outstanding securities shall not constitute a Change in Control;

(iii) The Stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iv) A majority of the members of the Board of Directors of the Company cease to be Continuing Directors;

(h) "Code" means the Internal Revenue Code of 1986, as amended.

(i) "Continuing Directors" means, as of any date of determination, any member of the Board of Directors who (i) was a member of such Board of Directors on the date of the Agreement or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

(j) "Exchange Act" means the Exchange Act of 1934, as amended.

(k) "Person" means any individual, control group as defined in the Exchange Act, corporation, partnership, limited liability company, trust, association or other entity.

(l) "Related Person" means any immediate family member (spouse, partner, parent, sibling or child whether by birth or adoption) of the Executive and any trust, estate or foundation, the beneficiary of which is the Executive and/or an immediate family member of the Executive.

6. Certain Benefits Upon Termination. Executive's employment shall be terminated upon the earlier of (i) the voluntary resignation of Executive with or without Good Reason; (ii) Executive's death or permanent disability; or (iii) upon the termination of Executive's employment by the Company for any reason at any time. In the event of such termination, the provisions of Section 6(a) shall apply, and in the event of a Change of Control, the provisions of Section 6(b) shall apply.

(a) If Executive's employment by the Company terminates for any reason other than as a result of (i) a termination for Cause, or (ii) a voluntary resignation by Executive without a Good Reason, then the Company shall pay Executive a lump sum severance payment in cash equal to the greater of (y) the amount equal to eighteen (18) months Base Salary or (z) the amount equal to the Executive's Base Salary for the remainder of the term as if this Agreement had not been terminated; *provided* that if employment terminates by reason of Executive's death or disability, then Executive (or Executive's estate, if applicable) shall receive a one time payment equal to the amount of Base Salary owed for the remainder of the term as if this Agreement had not been terminated.

(b) If the Executive's employment is terminated by the Company for any reason other than as a result of (i) a termination for Cause, or (ii) a voluntary resignation by Executive without a Good Reason, within twenty four (24) months of a Change in Control of the Company, the Company shall pay Executive a one time severance payment in cash equal to the greater of (y) the amount equal to eighteen (18) months Base Salary, or (z) the amount equal to the Executive's Base Salary for the remainder of the term as if this Agreement had not been terminated; *provided* that if employment terminates by reason of Executive's death or disability, then Executive (or Executive's estate, if applicable) shall receive a one time payment equal to the amount of Base Salary owed for the remainder of the term as if this Agreement had not been terminated.

(c) If Executive's employment by the Company terminates for any reason, except for the Company's termination of Executive's employment for Cause or a voluntary resignation by Executive without a Good Reason, the Company shall offer to Executive the opportunity to participate at Company expense in all medical and dental plans provided by the Company to its executive officers to the extent Executive elects for the remainder of the term of this Agreement. To the extent that the Company cannot provide, for a legal reason or any other matter, Executive with the opportunity to participate in such medical and dental plans (at Company expense), the Company shall pay to Executive in cash an amount equal to the fair market value of the benefits to be provided pursuant to this Section 6(c).

(d) The Company shall make all payments pursuant to the foregoing subsections (a) through (b) concurrently with the date of termination of Executive's employment or consummation of a Change in Control of the Company, as applicable. Any such termination payments payable hereunder shall be considered as part-consideration for the non-compete covenant provided by Executive in Section 7 below.

(e) The Company shall have no liability under this Section 6 if Executive's employment pursuant to this Agreement is terminated by the Company for Cause or by Executive without a Good Reason.

(f) Gross-Up.

(i) If it shall be determined that any payment, distribution or benefit received or to be received by Executive from the Company (whether payable pursuant to the terms of this Agreement or any other plan, arrangements or agreement with the Company or a Affiliate (as defined above) ("Payments")) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then Executive shall be entitled to receive an additional payment (the "Excise Tax Gross-Up Payment") in an amount such that the net amount retained by Executive, after the calculation and deduction of any Excise Tax on the Payments and any federal, state and local income taxes and excise tax on the Excise Tax Gross-Up Payment provided for in this Section 6(g), shall be equal to the Payments. In determining this amount, the amount of the Excise Tax Gross-Up Payment attributable to federal income taxes shall be reduced by the maximum reduction in federal income taxes that could be obtained by the deduction of the portion of the Excise Tax Gross-Up Payment attributable to state and local income taxes. Finally, the Excise Tax Gross-Up Payment shall be reduced by income or excise tax withholding payment made by the Company or any affiliate of either to any federal, state or local taxing authority with respect to the Excise Tax Gross-Up Payment that was not deducted from compensation payable to Executive.

(ii) All determinations required to be made under this Section 6(g), including whether and when an Excise Tax Gross-Up Payment is required and the amount of such Excise Tax Gross-Up Payment and the assumptions to be utilized in arriving at such determination, except as specified in Section 6(g)(i) above, shall be made by the Company's independent auditors (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive. Such determination of tax liability made by the Accounting Firm shall be subject to review by Executive's tax advisor and, if Executive's tax advisor does not agree with such determination reached by the Accounting Firm, then the Accounting Firm and Executive's tax advisor shall jointly designate a nationally recognized public accounting firm, which shall make such determination. All reasonable fees and expenses of the accountants and tax advisors retained by either Executive or the Company shall be borne by the Company. Any Excise Tax Gross-Up Payment, as determined pursuant to this Section 6(g), shall be paid by the Company to Executive within five days after the receipt of such determination. Any determination by a jointly designated public accounting firm shall be binding upon the Company and Executive.

(iii) As a result of the uncertainty in the application of Subsection 4999 of the Code at the time of the initial determination thereunder, it is possible that Excise Tax Gross-Up Payments will not have been made by the Company that should have been made consistent with the calculations required to be made hereunder ("Underpayment"). In the event that Executive thereafter is required to make a payment of any Excise Tax, any such Underpayment calculated in accordance with and in the same manner as the Excise Tax Gross-Up Payment in Section 6(g)(i) above shall be promptly paid by the Company to or for the benefit of Executive. In the event that the Excise Tax Gross-Up Payment exceeds the amount subsequently determined to be due, such excess shall constitute a loan from the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code).

7. Non-competition. Executive agrees that at all times while he is employed by the Company and, regardless of the reason for termination of his employment or this Agreement, for a period of eighteen (18) months thereafter, he will not, as a principal, agent, employee, employer, consultant, stockholder, investor, director or co-partner of any person, firm, corporation or business entity other than the Company, or in any individual or representative capacity whatsoever, directly or indirectly, without the express prior written consent of the Company:

- (i) engage or participate in any business whose products or services are directly competitive with that of the Company and which conducts or solicits business, or transacts with supplier or customers located within the United States or Puerto Rico;
- (ii) aid or counsel any other person, firm, corporation or business entity to do any of the above;
- (iii) become employed by a firm, corporation, partnership or joint venture which competes with the business of the Company within the United States or Puerto Rico; or
- (iv) approach, solicit business from, or otherwise do business or deal with any customer of the Company in connection with any product or service competitive to any provided by the Company.

For purposes of the definition of *stockholder* or *investor* used in this Section 7, the Executive may hold a non-control position as stockholder or investor in the securities of publicly traded companies without the prior written consent of the Company.

8. Indemnification. The Company shall indemnify Executive and hold him harmless from and against all claims, losses, damages, expense or liabilities (including expenses of defense and settlement) based upon or in any way arising from or connected with his employment by the Company, to the maximum extent permitted by law. To the fullest extent permitted by law, the Company shall advance to Executive all expenses necessary in connection with the defense of any action or claim which is brought if indemnification cannot be determined to be available prior to the conclusion of such action or the investigation of such claim. The Company shall investigate in good faith the availability and cost of directors' and officers' insurance and shall include Executive as an insured in any directors' and officers' insurance policy it maintains. The provisions of this Section 8 shall survive any termination or expiration of this Agreement.

9. Attorney Fees. In the event that any action or proceeding is brought to enforce the terms and provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees.

10. Notices. All notices and other communications provided to either party hereto under this Agreement shall be in writing and delivered by certified or registered mail to such party at its/her address set forth below its/her signature hereto, or at such other address as may be designated with postage prepaid, shall be deemed given when received.

11. Construction. In constructing this Agreement, if any portion of this Agreement shall be found to be invalid or unenforceable, the remaining terms and provisions of this Agreement shall be given effect to the maximum extent permitted without considering the void, invalid or unenforceable provisions. In construing this Agreement, the singular shall include the plural, the masculine shall include the feminine and neuter genders as appropriate, and no meaning in effect shall be given to the captions of the sections in this Agreement, which is inserted for convenience of reference only. Without limitation to the foregoing, nothing in this Agreement is intended to violate the Sarbanes-Oxley Act of 2002, and to the extent that any provision of this Agreement would constitute such a violation, such provision shall be modified to the extent required by such Act, or, to the extent that such provision cannot be so modified and is found to be invalid or unenforceable, the remaining terms and provisions shall be given effect to the maximum extent permitted without considering the void, invalid or unenforceable provision.

12. Headings. The section headings hereof have been inserted for convenience of reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.

13. Governing Law. This Agreement, and any statements, conduct, claims, causes of action, liabilities or other matters relating to or arising out of or in connection with this Agreement, shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to choice of law or conflict of law principles. The federal and state courts sitting in the State of New York, County of New York, shall have exclusive jurisdiction to adjudicate any disputes arising out of or in connection with this Agreement and the parties hereby waive any objection based with respect thereto. Any rights to trial by jury with respect to any claim, action or proceeding, directly or indirectly, arising out of, or relating to, this Agreement are waived by the parties.

14. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all other prior agreements and undertakings, both written and oral, among Executive and the Company, with respect to the subject matter hereof.

IN WITNESS WHEREOF, this Agreement shall be effective as of the date specified in the first paragraph of this Agreement.

Signed August 19, 2009

THE QUIGLEY CORPORATION:

Name: Robert V. Cuddihy,
Title: Chief Operating Officer

Signed August 19, 2009

EXECUTIVE:

Ted Karkus

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), is made as of August 19, 2009, effective as of July 15, 2009 by and between **THE QUIGLEY CORPORATION**, a corporation organized under the laws of the State of Delaware (the "Company"), and **ROBERT V. CUDDIHY** ("Executive").

WITNESETH:

WHEREAS, the Company and Executive desire to provide for the employment of the Executive as the Chief Operating Officer of the Company, to engage in such activities and to render such services under the terms and conditions hereof;

WHEREAS, the Company appointed the Executive as Chief Operating Officer on July 15, 2009, and has authorized and approved the execution of this Agreement, and Executive desires to be employed by the Company under the terms and conditions hereinafter provided; and

WHEREAS, this Agreement constitutes the entire understanding and agreement between the Company and Executive regarding its subject matter and supersedes all prior or contemporaneous negotiations and agreements, whether oral or written, between them with respect to such subject matter.

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

1. Effective Date, Appointment, Title and Duties. The effective date of this Agreement is July 15, 2009 ("Effective Date"). As of the Effective Date, the Company employs Executive to serve as its Chief Operating Officer. In such capacity, Executive shall report to the Chief Executive Officer, and shall have such duties, powers and responsibilities as are customarily assigned to a Chief Operating Officer of a publicly held corporation, but shall also be responsible to the Board of Directors and to any committee thereof. In addition, Executive shall have such other duties and responsibilities as the Chief Executive Officer and/or the Board of Directors may reasonably assign him, with his consent, including serving with the consent or at the request of the Board of Directors as an officer or on the board of directors of affiliated corporations, *provided* that such duties are commensurate with and customary for a senior executive officer bearing Executive's experience, qualifications, title and position.

2. Term of Agreement. The term of the Executive's employment under this Agreement shall commence on the Effective Date and shall terminate on July 15, 2012.

3. Acceptance of Position. Executive accepts the position of Chief Operating Officer, and agrees that during the term of this Agreement he will faithfully perform his duties and, except as expressly approved by the Board of Directors, will devote substantially all of his business time to the business and affairs of the Company, and will not engage, for his own account or for the account of any other person or entity, in a business which directly competes with the Company. It is acknowledged and agreed that Executive may serve as an officer and/or director of companies in which the Company owns voting or non-voting stock. In addition, it is acknowledged and agreed that Executive may, from time to time, serve as a member of the board of directors of other companies, in which event the Board of Directors of the Company must expressly approve such service pursuant to a Board resolution maintained in the Company's minute books. Any compensation or remuneration which Executive receives in consideration of his service on the board of directors of other companies shall be the sole and exclusive property of Executive, and the Company shall have no right or entitlement at any time to any such compensation or remuneration.

4. Salary and Benefits. During the term of this Agreement:

(a) The Company shall pay to Executive a base salary at an annual rate of not less than Two Hundred Seven Five Thousand Dollars (\$275,000) per annum (Base Salary"), paid in approximately equal installments at intervals based on any reasonable Company policy. The Company agrees from time to time to consider increases in such base salary in the discretion of the Board of Directors. Any increase, once granted, shall automatically amend this Agreement to provide that thereafter Executive's base salary shall not be less than the annual amount to which such base salary has been increased.

(b) During the term hereof, Executive shall be eligible to participate in all health, retirement, Company-paid insurance, sick leave, vacation, disability, expense reimbursement and other benefit programs which the Company or its subsidiaries makes available to any of its senior executives.

(c) In addition to the Base Salary, Executive shall be granted an amount of shares of common stock of the Company that is equal to \$50,000 per year. The shares to be granted under this Section 4(c) shall be granted quarterly during the term of this Agreement (on the basis of a value of \$12,500 of shares per quarter) in arrears, promptly following the close of each quarter. The value of the shares shall be calculated based on the average closing price of the Company's shares for the first five (5) trading days of the quarter in which the shares are earned.

(d) Executive may be awarded an annual bonus (in cash or stock of the Company) in the sole discretion of the Board of Directors. Executive also shall be eligible to participate in any Company incentive stock, option or bonus plan offered by the Company to its senior executives, subject to the terms thereof and at the sole discretion of the Board of Directors.

5. Certain Terms Defined. For purposes of this Agreement:

(a) Executive shall be deemed to be "disabled" if a physical or mental condition shall occur and persist which, in the written opinion of a licensed physician selected by the Board of Directors in good faith, has rendered Executive unable to perform the duties set forth in Section 1 hereof for a period of sixty (60) days or more and, in the written opinion of such physician, the condition will continue for an indefinite period of time, rendering Executive unable to return to his duties.

(b) A termination of Executive's employment by the Company shall be deemed for "Cause" if, and only if, it is based upon (i) conviction of a felony by a federal or state court of competent jurisdiction; (ii) material disloyalty to the Company such as embezzlement, misappropriation of corporate assets or, except as permitted pursuant to Section 3 of this Agreement, breach of Executive's agreement not to engage in business for another enterprise of the type engaged in by the Company; or (iii) the engaging in unethical or illegal behavior which is of a public nature, brings the Company into disrepute, and result in material damage to the Company. The Company shall have the right to suspend Executive with pay, for a reasonable period to investigate allegations of conduct which, if proven, would establish a right to terminate this Agreement for Cause, or to permit a felony charge to be tried. Immediately upon the conclusion of such temporary period, unless Cause to terminate this Agreement has been established, Executive shall be restored to all duties and responsibilities as if such suspension had never occurred.

(c) A resignation by Executive shall not be deemed to be voluntary and shall be deemed to be a resignation with "Good Reason" if it is based upon (i) a diminution in Executive's title, duties, or salary; (ii) a material reduction in benefits; (iii) a direction by the Board of Directors that Executive report to any person or group other than the Board of Directors, or (iv) a geographic relocation of Executive's place of work a distance for more than sixty (60) miles from the Company's offices located in Doylestown, Pennsylvania.

(d) "Affiliate" means with respect to any Person, a Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control, with the Person specified.

(e) "Base Salary" means, as of any date of termination of employment, the highest base salary of Executive in the then current fiscal year or in any of the last four fiscal years immediately preceding such date of termination of employment.

(f) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act.

(g) A "Change in Control" occurs if:

(i) Any Person or related group of Persons (other than Executive and his Related Persons, the Company or a Person that directly or indirectly controls, is controlled by, or is under common control with, the Company) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities;

(ii) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation (or other entity), other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 66-2/3% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; *provided, however*, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person acquires 30% or more of the combined voting power of the Company's then outstanding securities shall not constitute a Change in Control;

(iii) The Stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iv) A majority of the members of the Board of Directors of the Company cease to be Continuing Directors;

(h) "Code" means the Internal Revenue Code of 1986, as amended.

(i) "Continuing Directors" means, as of any date of determination, any member of the Board of Directors who (i) was a member of such Board of Directors on the date of the Agreement or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

(j) "Exchange Act" means the Exchange Act of 1934, as amended.

(k) "Person" means any individual, control group as defined in the Exchange Act, corporation, partnership, limited liability company, trust, association or other entity.

(l) "Related Person" means any immediate family member (spouse, partner, parent, sibling or child whether by birth or adoption) of the Executive and any trust, estate or foundation, the beneficiary of which is the Executive and/or an immediate family member of the Executive.

6. Certain Benefits Upon Termination. Executive's employment shall be terminated upon the earlier of (i) the voluntary resignation of Executive with or without Good Reason; (ii) Executive's death or permanent disability; or (iii) upon the termination of Executive's employment by the Company for any reason at any time. In the event of such termination, the provisions of Section 6(a) shall apply, and in the event of a Change of Control, the provisions of Section 6(b) shall apply.

(a) If Executive's employment by the Company terminates for any reason other than as a result of (i) a termination for Cause, or (ii) a voluntary resignation by Executive without a Good Reason, then the Company shall pay Executive a lump sum severance payment in cash equal to the greater of (y) the amount equal to eighteen (18) months of Base Salary plus \$50,000, or (z) the amount equal to the Executive's Base Salary, plus any amounts owed to Executive under Section 4(c) above, for the remainder of the term as if this Agreement had not been terminated; *provided* that if employment terminates by reason of Executive's death or disability, then Executive (or Executive's estate, if applicable) shall receive a one time payment equal to the amount of Base Salary owed for the remainder of the term as if this Agreement had not been terminated.

(b) If the Executive's employment is terminated by the Company for any reason other than as a result of (i) a termination for Cause, or (ii) a voluntary resignation by Executive without a Good Reason, within twenty four (24) months of a Change in Control of the Company, the Company shall pay Executive a one time severance payment in cash equal to the greater of (y) the amount equal to eighteen (18) months of Base Salary plus \$50,000, or (z) the amount equal to the Executive's Base Salary, plus any amounts owed to Executive under Section 4(c) above, for the remainder of the term as if this Agreement had not been terminated; *provided* that if employment terminates by reason of Executive's death or disability, then Executive (or Executive's estate, if applicable) shall receive a one time payment equal to the amount of Base Salary owed for the remainder of the term as if this Agreement had not been terminated.

(c) If Executive's employment by the Company terminates for any reason, except for the Company's termination of Executive's employment for Cause or a voluntary resignation by Executive without a Good Reason, the Company shall offer to Executive the opportunity to participate at Company expense in all medical and dental plans provided by the Company to its executive officers to the extent Executive elects for the remainder of the term of this Agreement. To the extent that the Company cannot provide, for a legal reason or any other matter, Executive with the opportunity to participate in such medical and dental plans (at Company expense), the Company shall pay to Executive in cash an amount equal to the fair market value of the benefits to be provided pursuant to this Section 6(c).

(d) The Company shall make all payments pursuant to the foregoing subsections (a) through (b) concurrently with the date of termination of Executive's employment or consummation of a Change in Control of the Company, as applicable. Any such termination payments payable hereunder shall be considered as part-consideration for the non-compete covenant provided by Executive in Section 7 below.

(e) The Company shall have no liability under this Section 6 if Executive's employment pursuant to this Agreement is terminated by the Company for Cause or by Executive without a Good Reason.

(f) Gross-Up.

(i) If it shall be determined that any payment, distribution or benefit received or to be received by Executive from the Company (whether payable pursuant to the terms of this Agreement or any other plan, arrangements or agreement with the Company or a Affiliate (as defined above) ("Payments")) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then Executive shall be entitled to receive an additional payment (the "Excise Tax Gross-Up Payment") in an amount such that the net amount retained by Executive, after the calculation and deduction of any Excise Tax on the Payments and any federal, state and local income taxes and excise tax on the Excise Tax Gross-Up Payment provided for in this Section 6(g), shall be equal to the Payments. In determining this amount, the amount of the Excise Tax Gross-Up Payment attributable to federal income taxes shall be reduced by the maximum reduction in federal income taxes that could be obtained by the deduction of the portion of the Excise Tax Gross-Up Payment attributable to state and local income taxes. Finally, the Excise Tax Gross-Up Payment shall be reduced by income or excise tax withholding payment made by the Company or any affiliate of either to any federal, state or local taxing authority with respect to the Excise Tax Gross-Up Payment that was not deducted from compensation payable to Executive.

(ii) All determinations required to be made under this Section 6(g), including whether and when an Excise Tax Gross-Up Payment is required and the amount of such Excise Tax Gross-Up Payment and the assumptions to be utilized in arriving at such determination, except as specified in Section 6(g)(i) above, shall be made by the Company's independent auditors (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive. Such determination of tax liability made by the Accounting Firm shall be subject to review by Executive's tax advisor and, if Executive's tax advisor does not agree with such determination reached by the Accounting Firm, then the Accounting Firm and Executive's tax advisor shall jointly designate a nationally recognized public accounting firm, which shall make such determination. All reasonable fees and expenses of the accountants and tax advisors retained by either Executive or the Company shall be borne by the Company. Any Excise Tax Gross-Up Payment, as determined pursuant to this Section 6(g), shall be paid by the Company to Executive within five days after the receipt of such determination. Any determination by a jointly designated public accounting firm shall be binding upon the Company and Executive.

(iii) As a result of the uncertainty in the application of Subsection 4999 of the Code at the time of the initial determination thereunder, it is possible that Excise Tax Gross-Up Payments will not have been made by the Company that should have been made consistent with the calculations required to be made hereunder ("Underpayment"). In the event that Executive thereafter is required to make a payment of any Excise Tax, any such Underpayment calculated in accordance with and in the same manner as the Excise Tax Gross-Up Payment in Section 6(g)(i) above shall be promptly paid by the Company to or for the benefit of Executive. In the event that the Excise Tax Gross-Up Payment exceeds the amount subsequently determined to be due, such excess shall constitute a loan from the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code).

7. Non-competition. Executive agrees that at all times while he is employed by the Company and, regardless of the reason for termination of his employment or this Agreement, for a period of eighteen (18) months thereafter, he will not, as a principal, agent, employee, employer, consultant, stockholder, investor, director or co-partner of any person, firm, corporation or business entity other than the Company, or in any individual or representative capacity whatsoever, directly or indirectly, without the express prior written consent of the Company:

- (i) engage or participate in any business whose products or services are directly competitive with that of the Company and which conducts or solicits business, or transacts with supplier or customers located within the United States or Puerto Rico;
- (ii) aid or counsel any other person, firm, corporation or business entity to do any of the above;
- (iii) become employed by a firm, corporation, partnership or joint venture which competes with the business of the Company within the United States or Puerto Rico; or
- (iv) approach, solicit business from, or otherwise do business or deal with any customer of the Company in connection with any product or service competitive to any provided by the Company.

For purposes of the definition of *stockholder* or *investor* used in this Section 7, the Executive may hold a non-control position as stockholder or investor of the securities of publicly traded companies without the prior written consent of the Company.

8. Indemnification. The Company shall indemnify Executive and hold him harmless from and against all claims, losses, damages, expense or liabilities (including expenses of defense and settlement) based upon or in any way arising from or connected with his employment by the Company, to the maximum extent permitted by law. To the fullest extent permitted by law, the Company shall advance to Executive all expenses necessary in connection with the defense of any action or claim which is brought if indemnification cannot be determined to be available prior to the conclusion of such action or the investigation of such claim. The Company shall investigate in good faith the availability and cost of directors' and officers' insurance and shall include Executive as an insured in any directors' and officers' insurance policy it maintains. The provisions of this Section 8 shall survive any termination or expiration of this Agreement.

9. Attorney Fees. In the event that any action or proceeding is brought to enforce the terms and provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees.

10. Notices. All notices and other communications provided to either party hereto under this Agreement shall be in writing and delivered by certified or registered mail to such party at its/her address set forth below its/her signature hereto, or at such other address as may be designated with postage prepaid, shall be deemed given when received.

11. Construction. In constructing this Agreement, if any portion of this Agreement shall be found to be invalid or unenforceable, the remaining terms and provisions of this Agreement shall be given effect to the maximum extent permitted without considering the void, invalid or unenforceable provisions. In construing this Agreement, the singular shall include the plural, the masculine shall include the feminine and neuter genders as appropriate, and no meaning in effect shall be given to the captions of the sections in this Agreement, which is inserted for convenience of reference only. Without limitation to the foregoing, nothing in this Agreement is intended to violate the Sarbanes-Oxley Act of 2002, and to the extent that any provision of this Agreement would constitute such a violation, such provision shall be modified to the extent required by such Act, or, to the extent that such provision cannot be so modified and is found to be invalid or unenforceable, the remaining terms and provisions shall be given effect to the maximum extent permitted without considering the void, invalid or unenforceable provision.

12. Headings. The section headings hereof have been inserted for convenience of reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.

13. Governing Law. This Agreement, and any statements, conduct, claims, causes of action, liabilities or other matters relating to or arising out of or in connection with this Agreement, shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to choice of law or conflict of law principles. The federal and state courts sitting in the State of New York, County of New York, shall have exclusive jurisdiction to adjudicate any disputes arising out of or in connection with this Agreement and the parties hereby waive any objection based with respect thereto. Any rights to trial by jury with respect to any claim, action or proceeding, directly or indirectly, arising out of, or relating to, this Agreement are waived by the parties.

14. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all other prior agreements and undertakings, both written and oral, among Executive and the Company, with respect to the subject matter hereof.

IN WITNESS WHEREOF, this Agreement shall be effective as of the date specified in the first paragraph of this Agreement.

Signed August 19, 2009

THE QUIGLEY CORPORATION:

Name: Ted Karkus

Title: Chief Executive Officer

Signed August 19, 2009

EXECUTIVE:

Robert V. Cuddihy