

LHC GROUP, INC.
AUDIT COMMITTEE CHARTER

I. PURPOSE AND AUTHORITY

There shall be a committee of the Board of Directors (the "Board") of LHC Group, Inc. (the "Company") to be known as the Audit Committee (the "Committee"). The primary function of the Committee is to assist the Board in fulfilling its financial and other oversight responsibilities by serving as an independent and objective party to oversee, monitor and appraise:

1. The integrity of the Company's financial statements and other financial information, financial reporting process, internal controls and procedures for financial reporting, and disclosure controls and procedures.
2. The Company's auditing process, including all engagements and oversight of the Company's independent auditors.
3. The Company's ethical and legal compliance related to accounting and auditing matters.

In furtherance of its purpose, the Committee shall strive to provide an open avenue of communication among the Company's independent auditors, management and the Board. The Committee will further carry out its purpose by engaging in the activities enumerated in Section IV of this Charter.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company, and has the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties. The Company shall provide funding, as determined by the Committee, for payment of compensation to the Company's independent auditors and to any advisers the Committee retains.

II. MEMBERSHIP REQUIREMENTS

The Committee shall be comprised of three or more directors as determined by the Board. All members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee and shall serve at the pleasure of the Board, and their duties and responsibilities as members of the Committee shall be in addition to their duties as members of the Board. Members of the Committee shall meet the following qualifications, or such other qualifications as may be imposed from time to time by the Board, by law or by the listing requirements of the Nasdaq Stock Market.

1. **Independence.** Except under exceptional and limited circumstances permitted by the listing requirements of the Nasdaq Stock Market, the members of the Committee shall be independent directors. To be considered independent, each Committee member

must meet the independence requirements for audit committee membership of the Nasdaq Stock Market and the rules and regulations of the Securities and Exchange Commission ("SEC").

2. **Financial Literacy.** All members of the Committee shall be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At least one member shall be an "audit committee financial expert" within the meaning of the rules of the SEC. At least one member shall have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities.

III. MEETINGS AND GOVERNANCE

1. **Meetings.** The Committee shall meet at least four times each year and at such other times as may be necessary to fulfill its responsibilities. It will meet following the end of each fiscal quarter of the Company prior to the release of quarterly or annual earnings to review the financial results of the Company for the preceding fiscal quarter or the preceding fiscal year, as the case may be. Meetings may be called by the Chairman of the Committee or the Chairman of the Board. A majority of the members of the Committee will constitute a quorum, and a majority of the members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or video conference and may take action by written consent. The Committee will meet in executive sessions with the Company's independent auditors and management as appropriate.
2. **Chair.** The Board may designate a Chair of the Committee. The Chair will preside, when present, at all meetings of the Committee.

IV. DUTIES, RESPONSIBILITIES AND ACTIVITIES

While the Committee has the duties and responsibilities set forth in this Charter, management has primary responsibility for the Company's financial statements and the reporting process, including the systems of internal controls, and the Company's independent auditors are responsible for performing an annual audit of the Company's consolidated financial statements in accordance with auditing standards generally accepted in the United States and for expressing an opinion as to their conformity with generally accepted accounting principles.

To fulfill its purpose, the Committee has the following duties and responsibilities and shall engage in the following activities:

1. **Review of Financial Statements, Reports and Charter.** The Committee shall review the Company's financial statements, reports and other financial information, in conjunction with the Company's financial management and independent auditors, as

appropriate. Such review shall include candid discussions of the quality – not merely the acceptability – of the Company’s accounting principles as applied in its financial reporting. Reviews shall occur prior to dissemination of the statement, report or other document to a third party or the public. Without limitation, the Committee shall review, to the extent it deems necessary or appropriate:

- a. The annual financial statements and other material financial content of the Company’s Annual Report to Shareholders and/or Annual Reports on Form 10-K, including any certification, report, opinion, attestation or review rendered by the independent auditors.
- b. Any quarterly or other interim financial statements and other material financial content of the Company’s Quarterly Reports on Form 10-Q, including any certification, report, opinion, or review rendered by the independent auditors.
- c. Any other material financial information, such as earnings releases or financial information and earnings guidance provided to analysts, lenders or rating agencies. In lieu of reviewing each such disclosure prior to release or dissemination, the Committee may discuss generally with management the types of information to be disclosed and the types of presentations to be made.
- d. Any material internal reports prepared by the Company’s independent auditors, internal auditors or management.
- e. The annual Report of the Committee for inclusion in the Company’s annual proxy statement.
- f. This Charter on an annual basis, or more frequently as circumstances dictate.

The Chair or another member of the Committee may represent the entire Committee for purposes of reviewing quarterly information and other material financial information, such as earnings releases, to the extent permissible under the listing requirements of the Nasdaq Stock Market and generally accepted auditing standards.

2. *Relationship with Independent Auditors and Internal Auditors.* The Committee’s and the Board’s relationship with the Company’s independent auditors shall be governed by the following principles:

- a. The Committee shall be directly responsible for the appointment, compensation, retention and termination of the independent auditors and the independent auditors shall report directly to the Committee. The Committee shall have sole authority to determine the compensation to be paid to the independent auditors for any service. The Committee also shall be responsible for the oversight and evaluation of the work of the independent auditors, including resolution of disagreements between management and the independent auditors.

- b. The Committee shall pre-approve all audit and permitted non-audit services provided to the Company by the independent auditors as well as the related fees. The Committee may delegate pre-approval authority to a member or members of the Committee or may adopt pre-approval policies and procedures, to the extent permitted by applicable laws. Any pre-approvals made pursuant to delegated authority or pre-approval policies and procedures must be presented to the full Committee at its next meeting.
 - c. The Committee shall receive a report or report update from the independent auditors, within the time periods prescribed by the rules of the SEC, on: (i) all critical accounting policies and practices of the Company; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditors; and (iii) other material written communications between the independent auditors and management, including differences of opinion, if any, between the independent auditors and management.
 - d. The Committee shall receive a formal written statement from the independent auditors delineating all relationships between the independent auditors and the Company, consistent with Independence Standards Board Standard 1. The Committee shall engage the independent auditors in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and take appropriate action to oversee the independence of the independent auditors.
 - e. The Committee shall oversee the hiring of personnel who have been employed by the Company's independent auditors within the past three years.
 - f. The Committee shall ensure the regular rotation of the audit partners as required by law.
 - g. The Committee shall oversee the objectives, activities and staffing of the Company's internal auditors, if any.
3. ***Financial Reporting and Auditing Processes.*** The Committee's and the Board's relationship with the Company's management, including its financial management, shall be governed by the following principles:
- a. The Committee shall oversee the integrity of the Company's financial reporting process.
 - b. The Committee shall discuss with the independent auditors and management the overall scope and plans for the annual audit.

- c. The Committee shall review with the independent auditors and management the adequacy and effectiveness of the Company's internal controls and procedures for financial reporting, including management's report on the adequacy or effectiveness of internal controls; disclosure controls and procedures; and the fullness and accuracy of the Company's financial statements. The Committee shall consider the quality of presentation of, among other matters, critical accounting policies, off-balance sheet transactions and financial measures presented on a basis other than in accordance with generally accepted accounting principles.
- d. The Committee shall review the quality and appropriateness of the Company's accounting principles and underlying estimates as applied in its financial reporting, including the independent auditors' judgments concerning the foregoing.
- e. In consultation with the independent auditors and management, the Committee shall review any major changes or improvements to the Company's financial and accounting principles and practices, internal controls and procedures for financial reporting and disclosure controls and procedures.
- f. The Committee may, as it deems necessary or advisable, discuss with management policies with respect to risk assessment and risk management, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

4. Ethical and Legal Compliance.

- a. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- b. The Committee shall review and approve all related party transactions.