



**CHARTER OF
THE AUDIT COMMITTEE
OF
THE BOARD OF DIRECTORS OF
LHC GROUP, INC.**

As Amended and Restated as of April 1, 2016

I. PURPOSE

The purpose of the Audit Committee (the "Committee") shall be to assist the Board of Directors (the "Board") of LHC Group, Inc. (the "Company") in its oversight and monitoring of:

- A. 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;
- B. the qualifications, independence and performance of the Company's independent auditors;
- C. the performance of the Company's internal audit function; and
- D. the Company's compliance with legal and regulatory requirements.

In furtherance of its purpose, the Committee shall strive to provide an open avenue of communication among the Company's independent registered public accounting firm, 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 registered public accounting firm and to any advisers the Committee retains.

II. COMPOSITION OF THE COMMITTEE

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 the duties and responsibilities of members of the Committee shall be in addition to each member's duties as members of the Board. The Chairman of the Committee shall be designated by the Board. In the absence of the Chairman, the members of the Committee may designate a chairman by majority vote. The Board may, at any time, remove one or more members of the Committee and may fill any vacancy on the Committee. The Committee may form and delegate authority to subcommittees as the Committee may deem appropriate.

Members of the Committee shall meet the following qualifications, or such other qualifications as may be imposed from time to time by the Board, applicable law, including without limitation, the Securities Exchange Act of 1934 (the "Exchange Act"), or the listing requirements of the NASDAQ Stock Market.



- A. **Independence.** Except under the limited circumstances permitted by the listing requirements of the NASDAQ Stock Market and the rules and regulations of the Securities and Exchange Commission ("SEC"), 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 SEC. No member of the Committee may, other than in his or her capacity as a member of the Committee, the Board or any other Board committee, accept directly or indirectly any consulting, advisory or other compensatory fee from the Company. Furthermore, no member of the Committee shall have participated in the preparation of the financial statements of the Company or its subsidiaries at any time during the three years prior to appointment on the Committee.
- B. **Financial Literacy.** All members of the Committee shall have a basic understanding of finance and accounting and 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. COMMITTEE MEETINGS

The Committee shall meet at least once per quarter 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 Chair of the Committee, the Chairman of the Board, or any two or more members of the Committee. Meetings may also be held by telephone or video conference.

The Committee will meet in executive sessions with the Company's independent registered public accounting firm, the Director of the Internal Audit Department and management, as appropriate.

A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also take action by unanimous written consent in lieu of a meeting.

The Committee shall keep minutes of each meeting and file such minutes with the books and records of the Company. The Committee shall also provide periodic reports of its activities to the Board.

IV. RESPONSIBILITIES OF THE COMMITTEE

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 over financial reporting, and the Company's independent registered public accounting firm is responsible for performing an annual audit of the Company's financial statements in accordance with standards of the U. S. Public Company Accounting Oversight Board (the "PCAOB") and for expressing an opinion as to their conformity with U.S. generally accepted accounting principles and for expressing an opinion as to the adequacy of the Company's internal control over financial reporting.



In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not employees of the Company and do not bear any of the responsibilities of management or the Company's independent registered public accounting firm. As such, it is not the duty or responsibility of the Committee or its members (i) to plan or conduct audits, (ii) to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, (iii) to design or implement internal controls and procedures or disclosure controls and procedures, or (iv) to conduct other types of auditing or accounting reviews or procedures. Each member of the Committee shall be entitled to rely on (1) the integrity of those persons and organizations within and outside the Company that provide information to the Committee and (2) the accuracy and completeness of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

The Committee's functions and procedures should remain flexible to address changing circumstances most effectively. To implement the Committee's purpose, the Committee shall be charged with the following functions and processes, with the understanding, however, that the Committee may supplement or (except as otherwise required by applicable laws, rules or regulations) deviate from these activities as appropriate under the circumstances:

- A. **Review of Financial Statements, Reports and Charter.** The Committee shall have the following powers, duties and responsibilities:
1. The Committee shall review and discuss with the Company's management and independent registered public accounting firm the Company's annual audited financial statements and other financial information, including any certification, report, opinion or review rendered by the independent registered public accounting firm and the Company's disclosures under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of the Company's Annual Reports on Form 10-K, and make a recommendation to the Board as to whether the annual audited financial statements should be included in the Form 10-K.
 2. The Committee shall review and discuss with the Company's management and independent registered public accounting firm the quarterly financial statements and other financial information, including any certification, report, opinion or review rendered by the independent registered public accounting firm and the Company's disclosures under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of the Company's Quarterly Reports on Form 10-Q.
 3. The Committee shall review any other material financial information, such as earnings releases or financial information and earnings guidance provided to analysts, lenders or rating agencies, including, without limitation, the use of "pro forma" or "adjusted" non-GAAP information; provided that, 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.
 4. The Committee shall review any material internal reports related to the Company's financial management prepared by the Company's independent registered public accounting firm, internal auditors or management.



5. The Committee shall review the annual report of the Committee for inclusion in the Company's annual proxy statement.
6. The Committee shall review 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.

B. Relationship with Independent Registered Public Accounting Firm and Internal Auditors.

The Committee's and the Board's relationship with the Company's independent registered public accounting firm shall be governed by the following principles:

1. The Committee shall be directly and solely responsible for the appointment, compensation, retention and termination of the independent registered public accounting firm and the independent registered public accounting firm shall report directly to the Committee. The Committee shall have sole authority to determine the compensation to be paid to the independent registered public accounting firm for any service. The Committee also shall be responsible for the oversight and evaluation of the work of the independent registered public accounting firm, including resolution of disagreements between management and the independent registered public accounting firm.
2. The Committee shall pre-approve all audit, internal control-related and permitted non-audit services provided to the Company by the independent registered public accounting firm as well as the related fees, including approval of all engagement letters for all services provided by the independent registered accounting firm. The Committee may adopt pre-approval policies and procedures, to the extent permitted by applicable laws. Any pre-approvals made pursuant to pre-approval policies and procedures must be presented to the full Committee at its next meeting.
3. At least annually, the Committee shall obtain and review a report by the independent auditor describing the firm's internal quality-control procedures, any material issues raised by the most recent internal quality-control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issue. After reviewing the foregoing report and the independent auditor's work throughout the year, the Committee shall evaluate the auditors' qualifications, performance and independence. This evaluation should include the review and evaluation of the lead audit partner and take into account the opinions of management and the Company's personnel responsible for the internal audit function.
4. The Committee shall annually obtain and review a report or report update from the independent registered public accounting firm, within the time periods prescribed by the rules of the SEC, on (a) all critical accounting policies and practices of the Company to be used, (b) all alternative disclosures and 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 registered public accounting firm, (c) other material written communications between the independent registered public accounting firm and management, including but not limited to any (1) management letter, (2) schedule of unadjusted differences, (3) listings of adjustments and reclassifications not recorded, if any, (4) reports on observations and recommendations on internal controls, (5) engagement letter, or (6) independence letter, and (d) any other matters required to be communicated to the Committee by the independent registered public accounting firm under the standards of the PCAOB.

5. The Committee shall receive a formal written statement from the independent registered public accounting firm delineating all relationships between the independent registered public accounting firm and the Company, consistent with the PCAOB and other professional requirements. The Committee shall engage the independent registered public accounting firm in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm and take appropriate action to oversee the independence of the independent registered public accounting firm.
6. The Committee shall establish hiring policies for current or former employees of the independent registered public accounting firm and, if deemed appropriate, adopt a policy regarding pre-approval by the Committee of employment by the Company of such persons.
7. The Committee shall discuss with the independent registered public accounting firm the overall audit strategy, the results of the audit, any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, any significant disagreements with management, including any significant account adjustments that were noted or proposed by the independent auditors but were rejected by management, and any other matters the Committee deems appropriate or required under prevailing auditing standards.
8. The Committee shall ensure the regular rotation of the audit partners as required by law, review and evaluate the lead partner of the independent auditor team and discuss whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent registered public accounting firm on a regular basis.
9. The Committee shall meet periodically in separate sessions with representatives of the Company's independent registered public accounting firm, Internal Audit Department and with management to discuss any matters that the Committee, the independent registered public accounting firm, the internal auditors or management believes should be discussed privately with the Committee.
10. The Committee shall oversee the objectives, activities and staffing of the Company's Internal Audit Department, including the overall scope and plans for their internal audits. Also, the Audit Committee shall periodically discuss with the internal auditors the results of their work and the quality and adequacy of the Company's internal controls.



11. The Committee shall discuss with the independent registered public accounting firm any material issues on which the national office of the independent auditor was consulted by the Company's audit team.

C. **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:

1. The Committee shall oversee the integrity of the Company's financial reporting process.
2. The Committee shall discuss with the independent registered public accounting firm and management the overall scope and plans for the annual audit.
3. The Committee shall review with the independent registered public accounting firm, internal audit 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; any material adjustments proposed by the independent registered public accounting firm and immaterial adjustments not recorded; disclosure controls and procedures; the fullness and accuracy of the Company's financial statements; and any disclosures made to the Committee by the Company's chief executive officer and chief financial officer in accordance with the periodic report certification requirements imposed by the rules and regulations of the SEC. 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.
4. 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 registered public accounting firm's judgments concerning the foregoing.
5. The Committee shall oversee the process of documentation, assessment and testing of internal controls performed pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 by management, the Internal Audit Department, the Company's independent registered public accounting firm and other consultants.
6. In consultation with the independent registered public accounting firm, the internal 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.
7. The Committee may, as it deems necessary or advisable, discuss policies with management 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.



8. The Committee shall obtain assurance from its independent registered public accounting firm that Section 10A(b) of the Exchange Act (required responses to audit discoveries) has not been implicated.

D. Oversight of Internal Audit Function.

1. The Committee shall review the appointment and replacement of the senior internal auditing executive.
2. The Committee shall review the significant reports to management prepared by the internal auditing department and management's responses.
3. The Committee shall discuss with the independent registered public accounting firm and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

E. Ethical and Legal Compliance.

1. 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.
2. The Committee shall review and approve all related party transactions (as defined by the NASDAQ listing standards and SEC regulations) brought to its attention, in accordance with the Company's Statement of Policy with Respect to Related Party Transactions.
3. The Committee shall meet semi-annually with the Chief Compliance Officer for a report on the Company's Corporate Compliance Program, including a review of any issues that may affect in any material way the financial reporting process, the financial or enterprise risks of the Company, or internal control systems of the Company, including any changes to CMS reimbursement policies, rules, and/or regulations affecting the Company.
4. The Committee shall receive and review semi-annual written reports from the Chief Compliance Officer regarding, among other things: (a) compliance-related activities undertaken by the Company; (b) any changes to CMS reimbursement policies, rules, and/or regulations affecting the Company; (c) the results of material compliance audits conducted; (d) reports on on-going compliance training programs; (e) calls received by the Company's anonymous hotline and web-based reports, and the investigation and resolution of those matters; (f) the effectiveness of the Company's Code of Conduct and Ethics, and (g) other complaints and allegations relating to the Company's compliance matters.
5. The Committee shall review with the Company's Chief Compliance Officer and financial and other personnel, the adequacy and effectiveness of the Company's internal regulatory, corporate compliance and risk management controls.



6. At least annually, the Committee shall review the adequacy of the organization, responsibilities, plans, performance, results, budget, membership, staffing and operations of the Company's Corporate Compliance Committee and Corporate Compliance Program.
 7. The Committee shall review and approve the annual compliance audit work plans that have been developed by the Compliance Department and approved by the Corporate Compliance Committee.
 8. The Committee shall review with the Company's General Counsel as necessary legal matters that may have a material impact on the Company's compliance status and any material inquiries or reports from regulators or governmental agencies.
 9. The Committee shall investigate, or ask the General Counsel to investigate, any matter brought to the attention of the Committee within the scope of its duties, and obtain legal advice for this purpose, if, in its judgment, that is appropriate.
 10. The Committee shall review any known significant disagreements between management and the Company's Chief Compliance Officer, internal auditors or independent registered public accounting firm concerning matters of regulatory or corporate compliance, as well as management's responses to those disagreements.
- F. The Committee shall take any other actions necessary or advisable from time to time to comply with applicable laws and regulations and all applicable listing standards.
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