



## **Nominating and Corporate Governance Committee**

### **PURPOSE AND RESPONSIBILITIES**

The Nominating and Corporate Governance Committee (the "Committee") of the Board (the "Board") of LHC Group, Inc. (the "Company") shall be responsible for identifying individuals qualified to serve on the Board and its committees, consistent with criteria approved by the Board, for recommending a slate of director nominees for approval by the Board for election by the stockholders of the Company at the annual meeting of the stockholders of the Company and for recommending directors to fill any vacancies on the Board, in accordance with the Company's Certificate of Incorporation and Bylaws and with Delaware law. In addition, the Committee shall be responsible for evaluating a set of corporate governance policies and principles to be applicable to the Company and recommending any changes to the corporate governance policies and principles to the Board. The Committee shall also oversee an annual evaluation of the Board and Company management.

### **A. COMPOSITION OF THE COMMITTEE**

The members of the Committee shall be comprised of not less than three (3) members of the Board meeting the independence requirements of the NASDAQ Stock Market, and as determined in the business judgment of the Board. The then-current members of the Committee shall make recommendations for future appointments to the Committee, but the final appointment decision shall rest with the Board, which, in its sole discretion, shall be responsible for the appointment and removal of members of the Committee. 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 Committee may form and delegate authority to subcommittees when appropriate.

### **B. NOMINATING FUNCTION OF THE COMMITTEE**

The Committee shall review with the Board the appropriate skills and characteristics required of Board members. The full Board shall remain responsible for selecting nominees and recommending them for election by the stockholders. The Committee is responsible for developing and implementing the screening process necessary to identify qualified candidates. As a part of its screening process, the Committee shall:

- Evaluate a candidate's independence from the Company's management and other principal service providers, and the effect of any relationships that might impair independence, for example, business, financial or family relationships with the Company's management or other service providers;
- Consider candidates proposed by the chief executive officer, by any director or by any stockholder, in accordance with procedures established by the Committee from time to time; and
- Review annually the purposes of the Committees of the Board, recommend to the Board any changes deemed necessary or desirable to the purpose of the Committees and whether any Committees should be created or discontinued, and recommend to the Board the directors and Chairman to be appointed to each Committee.

The Committee may determine, from time to time, the advisability of retaining any search firm or consultant to assist in the identification and evaluation of candidates for membership on the Board. The Committee has the sole authority to retain, at Company expense, and terminate any such search firm or consultant, including sole authority to approve the fees to be paid to such firm or consultant and all other retention terms.

On an annual basis, the Committee shall evaluate the membership of the committees of the Board. The Committee shall provide to the full Board the results of its evaluation, together with the Committee's recommendation as to committee membership during the upcoming year, for consideration by the Board in connection with the annual committee appointment process. In the event of a vacancy on any of the committees of the Board, the Committee shall provide its recommendation regarding a replacement committee member to the full Board.



## **CORPORATE GOVERNANCE FUNCTION OF THE COMMITTEE**

The Committee shall, with the assistance of the Company's outside counsel or other advisors as may be appropriate, evaluate a set of formal, written guidelines for corporate governance. The Committee shall review the governance structures and procedures of the Company annually and suggest improvements thereto to the full Board. Such improvements, if adopted by the full Board, shall be incorporated into the written guidelines. The Committee shall also consider questions of possible conflicts of interest of the Board members, as such questions arise.

## **ANNUAL EVALUATION FUNCTION OF THE COMMITTEE**

The Committee shall conduct an annual self-evaluation of its performance. Additionally, the Committee shall oversee an annual evaluation of the Board and Company management. The Committee shall have and may exercise all powers and authority of the Board to the extent permitted under Delaware law.

## **SUCCESSION PLANNING**

The Committee shall review annually with the executive officers of the Company any succession plans related to the positions of Chairman, Chief Executive Officer, and other executive offices, as the Committee deems necessary, and make recommendations to the Board with respect to the selection of individuals to hold such positions should they become vacant.

## **OTHER ACTIVITIES BY THE COMMITTEE**

The Committee shall perform any other activities consistent with this charter, the Company's Certificate of Incorporation and Bylaws and governing law as the Committee or the Board deems appropriate.

## **C. COMMITTEE MEETINGS**

The Committee shall meet at least once per year and may meet by telephone or video conference. Other meetings may be held at the discretion of the Chairman of the Committee. The Committee shall keep minutes of each of these meetings and may take action by written consent.

### **Director Nomination Process**

#### **Qualifications and Criteria for Nominees**

The Nominating and Corporate Governance Committee (the "Committee") of the Board (the "Board") of LHC Group, Inc. (the "Company") recommends nominees for election to the Board based on a number of qualifications, including but not limited to:

- independence and no conflict of interest that would interfere with performance as a director; character and integrity;
- financial literacy;
- level of education and business experience;
- sufficient time to devote to Board matters; and
- commitment to represent the long-term interests of the Company's shareholders.



The Committee seeks to ensure that the composition of the Board at all times adheres to the independence requirements of the NASDAQ Stock Market and reflects a variety of complementary experiences and backgrounds, particularly in the areas of management and leadership, sufficient to provide sound and prudent guidance with respect to the operations and interests of the Company.

### **Identifying and Evaluating Candidates for Company Nomination**

The Committee identifies potential Company nominees for director through a variety of business contacts, including current executive officers, directors, community leaders and shareholders as a source for potential Board candidates. The Committee may, to the extent it deems appropriate, retain a professional search firm and other advisors to identify potential nominees for director.

The Committee evaluates candidates to the Board by reviewing their biographical information and qualifications. If the Committee determines that a candidate is qualified to serve on the Board, such candidate is interviewed by at least one member of the Committee and the Chief Executive Officer. Members of the Board also have an opportunity to interview qualified candidates. The Committee then determines, based on the background information and the information obtained in the interviews, whether to recommend to the Board that the Company nominate a candidate for approval by the shareholders to fill a directorship. With respect to an incumbent director whom the Committee is considering as a potential nominee for reelection, the Committee reviews and considers the incumbent director's service to the Company during his or her term, including the number of meetings attended, level of participation, and overall contribution to the Company in addition to such person's biographical information and qualifications.

The manner in which the Committee evaluates a potential nominee will not differ based on whether the candidate is recommended by a shareholder of the Company.

### **Nominee Recommendations from Shareholders**

The Committee will consider written recommendations from shareholders for Company nominees to the Board. A shareholder who wishes to recommend a person to the Committee for nomination by the Company must submit a written notice by mail to the Nominating and Corporate Governance Committee c/o the Secretary, LHC Group, Inc., 420 West Pinhook Rd., Suite A, Lafayette, LA 70503. Such a written recommendation must be received not less than 120 calendar days nor more than 150 calendar days before the first anniversary of the date of the Company's notice of annual meeting sent to shareholders in connection with the previous year's annual meeting. Such a recommendation to the Committee should include (i) the candidate's name, age, business addresses, and other contact information, (ii) a complete description of the candidate's qualifications, experience, background and affiliations, as would be required to be disclosed in the proxy statement pursuant to Regulation 14A of the Securities and Exchange Commission, (iii) a sworn or certified statement by the candidate in which he or she consents to being named in the proxy statement as a nominee and to serve as a director if elected and (iv) the name and address of the shareholder(s) of record making such a recommendation.

Shareholders may continue to make their own direct nominations to the Board, for election at an annual or special meeting of the shareholders, in accordance with the procedures set out in the Company's Bylaws.

(as of November 5, 2008)