

**APRIA HEALTHCARE GROUP INC.
COMPENSATION COMMITTEE CHARTER**

Purpose

The Compensation Committee is appointed by the Board of Directors to discharge the Board's responsibilities relating to oversight of the Company's policies concerning compensation and benefits for employees generally and, specifically, the compensation of the Company's Chief Executive Officer (the "CEO") and other senior executives (collectively with the CEO, the "senior management"). The Committee has overall responsibility for evaluating the performance of the CEO and approving the compensation of the senior management. For purposes of this Charter, "senior management" shall include all Company officers at the level of Executive Vice President and above.

The Compensation Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.

Membership

The Compensation Committee shall consist of no fewer than three members, each of whom shall be a non-employee Director of the Company who, in the judgment of the Board of Directors, meets the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code and is "independent," in accordance with New York Stock Exchange listing standards. A majority of the members of the Committee shall constitute a quorum for conducting business.

Authority and Responsibilities

1. The Compensation Committee shall review and approve annual and long-term corporate goals and objectives relevant to the compensation of senior management, evaluate the CEO's performance in light of those goals and objectives, and determine the CEO's compensation levels based on this evaluation and any advice the Committee may obtain from independent compensation consultants.
2. For the CEO and each other member of senior management, the Compensation Committee shall annually review and/or approve, as appropriate, (a) the annual base salary, (b) the annual incentive opportunity (bonus) level, (c) the long-term incentive opportunity level, and (d) the benefit plans and any special or supplemental benefits. For each member of the senior management other than the CEO, recommendations as to each component of proposed compensation shall be provided to the Committee by the CEO in advance of the Committee's annual compensation review.
3. On a periodic basis, when and if considered appropriate by the Compensation Committee, the Committee shall review and approve the terms of any

employment or non-competition agreements, severance arrangements, and change in control provisions affecting any member of senior management.

4. The Compensation Committee shall annually receive a report, with or without participation by the full Board of Directors, from the head of the Company's Human Resources Department concerning current developments relating to the employment, compensation and benefits of the Company's employees.
5. The Compensation Committee shall also annually review the compensation of the non-employee Directors and make recommendations to the Board with respect thereto.
6. The Compensation Committee shall have the sole authority to retain and terminate any compensation or other consultant, legal counsel, public accountants or other persons assisting in the evaluation of Director or senior management compensation and the performance of the other duties and responsibilities of the Committee. The Committee shall have sole authority to approve such consultant or other person's fees and other retention terms, all at the Company's expense.
7. The Compensation Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, advice, opinions, reports or statements, or other information prepared or presented to them by (i) officers or other employees of the Company, whom the Committee or such member believes to be reliable and competent in the matters presented, and (ii) compensation or other consultants, legal counsel, public accountants or other persons as to matters which the Committee or such member believes to be within the professional competence of such person.
8. The Compensation Committee may form and delegate authority to subcommittees.
9. The Chairman of the Compensation Committee shall make regular verbal reports to the Board of Directors concerning the actions and recommendations of the Committee.
10. The Compensation Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Compensation Committee shall annually evaluate its own performance, such evaluation to be done either in conjunction with the Board's annual evaluation or separately by the Committee.
11. The secretary for the Compensation Committee shall be the Company's Corporate Secretary or, in his or her absence, the Assistant Secretary of the Company or another person selected by the Committee.