

CHARTER OF THE CORPORATE FINANCE COMMITTEE OF HEALTHSOUTH CORPORATION

PURPOSE, PRIMARY OBJECTIVES, AND RESPONSIBILITIES

The purpose of the Finance Committee (the “Committee”) of the Board of Directors of HEALTHSOUTH CORPORATION (the “Company”) is to assist the Board of Directors in the oversight of the use and development of the financial resources of the Company, including the Company’s financial structure, investment policies and objectives and other matters of a financial and investment nature.

The primary objectives and direct responsibilities of the Committee are to review, evaluate and make recommendations to the Board of Directors regarding

- (a) the Company’s capital structure and proposed changes thereto, including significant new issuances, purchases or redemptions of the Company’s securities;
- (b) the Company’s plans for allocation and disbursement of capital expenditures;
- (c) the Company’s credit rating, activities with credit rating agencies and key financial ratios;
- (d) the Company’s long-term financial strategy and financial needs;
- (e) the nature of any unusual or significant commitments or contingent liabilities; and
- (f) the Company’s plans to manage insurance and asset risk.

COMMITTEE COMPOSITION

The Committee shall consist of no fewer than three members.

Each member of the Committee shall be appointed by the Board of Directors, considering the recommendations of the Nominating / Corporate Governance Committee of the Board of Directors, and shall serve until a successor is appointed and qualified. No member of the Committee may be removed except by a majority of independent directors then in office. The Board of Directors may fill vacancies on the Committee by a majority vote of the Board of Directors.

Each member of the Committee must qualify as an independent director under the Corporate Governance Guidelines and otherwise meet any qualifications for membership of a compensation committee imposed by any exchange or market on which the Company’s common stock may be listed (the “Exchange”) and any other laws and regulations applicable to the Company.

The Board of Directors shall designate one member of the Committee as its chairperson (the “Chairman”). Except as may be expressly provided to the contrary in

the by-laws of the Company, this charter or the Corporate Governance Guidelines of the Company, as established by the Nominating/Corporate Governance Committee of the Board of Directors and approved by the Board of Directors, the Committee shall determine the rules or procedures within which it shall operate.

COMMITTEE STRUCTURE AND OPERATION

The Committee will meet no less than four times per year.

The Chairman shall preside over the meetings of the Committee and shall appoint a secretary (who need not be a member of the Committee) to take written minutes of the meetings.

The Chairman, in consultation with the other members of the Committee, will determine the frequency and duration of the meetings of the Committee and the agenda of items to be addressed at each meeting. In advance of each meeting, the Chairman shall circulate the agenda for each meeting to each member of the Committee. In addition, if requested by the Board of Directors, the Chairman shall call a meeting of the Committee and place on the agenda such items as may be requested by the Board of Directors.

The Committee may invite to its meetings other members of the Board of Directors, members of the Company’s management and such other persons as the Committee deems appropriate. The Committee may exclude any person (other than a member of the Committee) from a meeting as the Committee deems appropriate.

The Committee may form and delegate any of its authority and/or responsibilities to one or more subcommittee(s) as deemed appropriate by the Committee; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any applicable law, regulation or listing standard to be exercised by the Committee as a whole.

OVERSIGHT

The Committee’s role is one of oversight. The Committee recognizes that the Company’s management is responsible for preparing strategies, projections, budgets, forecasts and other information for presentation to the Committee.

AUTHORITY

The Committee shall have the authority to

- (a) obtain, at the expense of the Company, the advice and assistance of outside advisers, including legal and accounting advisers, as reasonably necessary to fulfill its responsibilities; and

(b) perform all acts necessary or appropriate to fulfill its responsibilities and achieve its objectives under this charter and as otherwise directed by the Board of Directors, provided such acts are not in violation of the by-laws and certificate of incorporation of the Company, this charter, the Corporate Governance Guidelines, the Company's Standards of Business Conduct or any laws and regulations applicable to the Company.

REVIEWS AND EVALUATIONS

The Committee shall be responsible, at least on an annual basis, for reviewing and evaluating the performance of the Committee and the members of the Committee.

The Committee shall deliver to the Board of Directors a report setting forth the results of its evaluation, including any recommended amendments to this charter and any recommended changes to the policies and procedures of the Company or the Board of Directors.

The Committee shall make any necessary changes, or recommend that the Board of Directors make any necessary changes, required to correct any deficiencies noted by the Committee in performing the reviews and evaluations set forth above.

ADDITIONAL RESPONSIBILITIES

The Committee shall make regular reports to the Board of Directors.

DISCLOSURE OF CHARTER

This charter shall be made available on the Company's website.

DATE OF ADOPTION

This charter was adopted by the Board of Directors effective August 17, 2004.

COMPLIANCE

The Committee, as a whole, and each of the individual members of the Committee shall be in compliance with the provisions of this charter no later than August 31, 2004.