

## **APRIA HEALTHCARE GROUP INC. COMPLIANCE COMMITTEE CHARTER**

### **Purpose**

The Compliance Committee of the Board of Directors is appointed by the Board to discharge the Board's responsibilities relating to monitoring and oversight of the Company's compliance program. In addition, Apria's Corporate Compliance Committee is appointed by Company management personnel to oversee implementation of the Company's compliance program. The Board Compliance Committee and the Corporate Compliance Committee generally meet together and are collectively referred to as the "Compliance Committee" or the "Committee."

### **Membership**

The Board Compliance 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.

The Corporate Compliance Committee shall consist of no fewer than seven members of middle and senior management and will have as three of its members the Chair of the Board Compliance Committee, the Company's Chief Operating Officer, and the Company's Compliance Officer. The Chief Operating Officer of the Company shall be the Chair of the Corporate Compliance Committee.

### **Authority and Responsibilities**

1. The Committee periodically shall review and approve (a) the Company's Code of Ethical Business Conduct, including any revisions that may be made to update the Code, and (b) the Company's Notice of Commitment to Compliance, which includes the phone number for the compliance hotline and is posted in all Apria facilities.
2. The Committee periodically shall review (typically no less often than quarterly) the status of the Company's ongoing internal investigations, which investigations may be prompted by hotline calls, audits, employee exit interview questionnaires or other disclosure methods.
3. The Committee periodically shall review (typically no less often than annually) the auditing, training, and other compliance activities in each of the Company's four significant compliance risk areas (government reimbursement, clinical/Food and Drug Administration (FDA), Department of

Transportation (DOT), and fraud and abuse other than government reimbursement).

4. The Committee periodically shall review various other aspects of the Company's compliance program, such as (a) the Company's compliance program structure, (b) reports to be made to the Board of Directors by the Company's Compliance Officer concerning the compliance program, (c) disclosure mechanisms made available and acted upon by the Company, (d) the Company's internal publicity regarding various aspects of the compliance program, (e) the Company's policies and practices regarding excluded or convicted persons or entities, and (f) the Company's discipline guidelines as they relate to compliance issues.
5. The 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 (a) officers or other employees of the Company, whom the Committee or such member believes to be reliable and competent in the matters presented, and (b) consultants, legal counsel, or other persons as to matters which the Committee or such member believes to be within the professional competence of such persons.
6. The Compliance Committee may form and delegate authority to subcommittees when appropriate.
7. The Chair of the Board Compliance Committee shall make regular verbal reports to the Board of Directors concerning the actions and recommendations of the Committee. The Committee shall decide when and how often the Company's Compliance Officer shall make reports to the Board of Directors concerning the status of the compliance program.
8. The Compliance Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval. Annually, the Board Compliance Committee shall evaluate its own performance, such evaluation to be done either in conjunction with the Board's annual evaluation or separately by the Board Compliance Committee.
9. The secretary for the Committee shall be the Company's Contract & Compliance Specialist or such other individual as may be appointed by the Committee.

## **Meetings**

This Committee shall meet as frequently as necessary to carry out its responsibilities under this Charter. The Chair of the Corporate Compliance Committee shall, in consultation with the other members of the Committee and appropriate officers of the Company, establish

the agenda for each Committee meeting. Each Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. A majority of the members of the Board Compliance Committee and a majority of the Corporate Compliance Committee shall each constitute a quorum for conducting business of that respective committee. The Chair of the Corporate Compliance Committee shall supervise the conduct of the meetings and shall have such other responsibilities as the Committee may designate from time to time.

The Committee may request any officer or employee of the Company, or any representative of the Company's advisors, to attend a meeting or to meet with any members or representatives of the Committee.

The Board Compliance Committee shall periodically meet in executive session with itself and with the Company's Compliance Officer.

### **Outside Advisors**

The Committee shall have the authority to retain, compensate and terminate such outside advisors as it determines appropriate to assist the Committee in the performance of its functions.