

<b>LHC GROUP, INC.</b>	<b>SECURITIES TRADES BY COMPANY PERSONNEL- INSIDER TRADING</b>
EFFECTIVE DATE: 04/01/17	DIVISION: LHC ADMINISTRATIVE
REVISED DATE:	CHAPTER: LEGAL
APPROVED BY: POLICY COMMITTEE	POLICY NUMBER: 8.1.004
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## PURPOSE

The purchase or sale of Company securities while aware of material nonpublic information about the Company, or the disclosure of material nonpublic information to others who then trade in the Company's securities, is prohibited by the federal securities laws. Insider trading violations are pursued vigorously by the U.S. Securities and Exchange Commission and the U.S. Attorneys' Office and are punished severely. While the regulatory authorities concentrate their efforts on the individuals who trade or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

The Company's Board of Directors has adopted this Policy Statement Regarding Securities Trades by Company Personnel ("Policy") both to satisfy the Company's obligation to prevent insider trading by all Company personnel (not just so-called "insiders") and to help Company personnel avoid the severe consequences associated with violations of the insider trading laws. The Policy also is intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Company. We have all worked hard over the years to establish a reputation for integrity and ethical conduct, and we cannot afford to have that reputation damaged.

The Audit Committee shall be responsible for direct oversight of the Policy, and shall have regular access to the General Counsel regarding the Policy, including the opportunity to meet with the General Counsel outside of the presence of any other senior executives. The Audit Committee shall receive an annual written report from the General Counsel regarding the (i) monitoring of the Company's trading compliance program; (ii) stock sales for which pre-clearance was granted; and (iii) any investigation of insider trades.

The consequences of an insider trading violation can be severe:

**Traders and Tipsters.** Company personnel (or their tippees) who trade on inside information are subject to the following penalties:

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine of up to \$5,000,000 (no matter how small the profit); and/or
- A jail term of up to twenty years.

A director, officer or other employee who tips information to a person who then trades is subject to the same penalties as the tippee, even if the tipper did not trade and did not profit from the tippee's trading.

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**Control Persons.** The Company and its supervisory personnel, if they fail to take appropriate steps to prevent illegal insider trading, are subject to the following penalties:

- A civil penalty of up to \$1,000,000 or, if greater, three times the profit gained or loss avoided as a result of the employee's violation; and
- A criminal penalty of up to \$25,000,000.

**Company-Imposed Sanctions.** The failure of a director, officer or other employee to comply with this Policy may subject him or her to Company-imposed sanctions, up to and including dismissal for cause, whether or not the failure to comply results in a violation of law. Needless to say, a violation of law, or even an SEC investigation that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

## **POLICY**

It is the policy of the Company that no director, officer or other employee of the Company (or any other person designated by this Policy or the General Counsel as subject to this Policy) who is aware of material nonpublic information relating to the Company may, directly or through family members or other persons or entities, (a) buy or sell securities of the Company (other than pursuant to a pre-approved trading plan that complies with SEC Rule 10b5-1) or engage in any other action to take personal advantage of that information, (b) pass that information on to others outside the Company, including family and friends, (c) recommend the purchase or sale of any Company securities, (d) disclose material nonpublic information to persons within the Company whose jobs do not require them to have that information, or outside of the Company to other persons, including but not limited to, family, friends, business associates, investors and expert consulting firms, unless such disclosure is made in accordance with the Company's policies regarding the protection or authorized external disclosure of information regarding the Company, or (e) assist anyone engaged in the above activities. In addition, it is the policy of the Company that no director, officer or other employee of the Company who, in the course of working for the Company, learns of material nonpublic information about a subsidiary or other affiliate of the Company or a company with which the Company does business, including a customer or supplier of the Company, may trade in that company's securities until the information becomes public or is no longer material.

Transactions that may be necessary or that may appear justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are not excepted from this Policy. The securities laws do not recognize such mitigating circumstances, and in any event, even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

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**Disclosure Of Information To Others.** The Company is required under Regulation FD of the federal securities laws to avoid the selective disclosure of material nonpublic information. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release. You may not, therefore, disclose information to anyone outside the Company, including family members and friends, other than in accordance with those procedures. You also may not discuss the Company or its business in an internet "chat room" or similar internet-based forum or on any social networking site (such as Facebook or Twitter).

**Material Information.** Material information is any information that a reasonable investor would consider important in making a decision to buy, hold or sell securities. Any information that could be expected to affect the Company's stock price, whether it is positive or negative, should be considered material. Some examples of information that could, depending on the facts and circumstances, be regarded as material are:

- Projections of future earnings or losses, or other earnings guidance;
- Changes to previously announced earnings guidance, or the decision to suspend earnings guidance;
- Earnings that are inconsistent with the consensus expectations of the investment community;
- A pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset;
- A pending or proposed joint venture;
- A Company restructuring;
- The development of a significant new product or process;
- The gain or loss of a significant customer or supplier;
- Significant legal, regulatory or legislative developments affecting the Company;
- A change in senior management;
- A change in dividend policy, or the declaration of a stock split;
- An offering of additional securities;
- Bank borrowings or other financing transactions out of the ordinary course;
- The establishment of a repurchase program for Company securities;
- A notification that the auditor's reports may no longer be relied upon;
- The imposition of a ban on trading in Company securities or the securities of another company; and
- The existence of severe liquidity problems or impending bankruptcy.

**When Information is "Public."** If you are aware of material nonpublic information, you may not trade until the information has been disclosed broadly to the marketplace (such as by press release, webcast conference or an SEC filing) and the investing public has had time to absorb the

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information fully. To avoid the appearance of impropriety, as a general rule, information should not be considered fully absorbed by the marketplace until after the second full business day after the information is released. If, for example, the Company were to make an announcement on a Monday, you should not trade in the Company's securities until Thursday. If an announcement were made on a Friday, Wednesday generally would be the first eligible trading day.

**Transactions by Family Members.** This Policy also applies to your family members who reside with you, anyone else who lives in your household and any family members who do not live in your household but whose transactions in Company securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in Company securities). You are responsible for the transactions of these other persons and, therefore, should make them aware of the need to confer with you before they trade in the Company's securities.

**Twenty-Twenty Hindsight.** Before engaging in any transaction, you should carefully consider how enforcement authorities and others might view the transaction in hindsight.

**Transactions Under Company Plans**

**Stock Option Plan.** This Policy does not apply to the exercise of an employee stock option or to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option or to any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

**401(k) Plan.** This Policy does not apply to purchases of Company stock in the 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. This Policy does apply, however, to certain elections you may make under the 401(k) plan, including (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund, (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (c) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance, and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

**Employee Stock Purchase Plan.** This Policy does not apply to purchases of Company stock in the employee stock purchase plan resulting from your periodic contribution of money to the plan pursuant to the election you made at the time of your enrollment in the plan. This Policy also does not apply to purchases of Company stock resulting from lump sum contributions to the plan, provided that you elected to participate by lump-sum payment at the beginning of the

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applicable enrollment period. This Policy does apply to your election to participate in the plan for any enrollment period and to your sales of Company stock purchased pursuant to the plan.

Dividend Reinvestment Plan. This Policy does not apply to purchases of Company stock under the Company's dividend reinvestment plan resulting from your reinvestment of dividends paid on Company securities. This Policy does apply, however, to voluntary purchases of Company stock resulting from additional contributions you choose to make to the plan and to your election to participate in the plan or increase your level of participation in the plan. This Policy also applies to your sale of any Company stock purchased pursuant to the plan.

Additional Prohibited Transactions. The Company considers it improper and inappropriate for any director, officer or other employee of the Company to engage in short-term or speculative transactions in the Company's securities. This Policy, therefore, prohibits directors, officers and other employees from engaging in any of the following transactions:

Short-term Trading. Short-term trading of the Company's securities by a director, officer or other employee may be distracting to him or her and may unduly focus him or her on the Company's short-term stock market performance instead of the Company's long-term business objectives. For these reasons, any director, officer or other specified employee of the Company who purchases Company securities in the open market may not sell any Company securities of the same class during the six months following the purchase.

Short Sales. Short sales of the Company's securities evidence an expectation on the part of the seller that the securities will decline in value and, therefore, signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of the Company's securities are prohibited by this Policy. In addition, Section 16(c) of the Securities Exchange Act of 1934 prohibits directors and officers from engaging in short sales.

Publicly Traded Options. A transaction in options is, in effect, a bet on the short-term movement of the Company's stock and, therefore, creates the appearance that the director, officer or other employee is trading based on inside information. Transactions in options also may focus the person's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy Statement. (Option positions arising from certain types of hedging transactions are governed by the section below captioned "Hedging Transactions.")

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Hedging Transactions. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow a director, officer or other employee to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the person to continue to own the covered securities but without the full risks and rewards of ownership. When that occurs, he or she may no longer have the same objectives as the Company's other shareholders. Therefore, such transactions are prohibited by this Policy.

Margin Accounts and Pledges. Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company securities, directors, officers and other employees are prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan. An exception to this prohibition may be granted where a person wishes to pledge Company securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge Company securities as collateral for a loan must submit a request for approval to the General Counsel at least two weeks prior to the proposed execution of documents evidencing the proposed pledge.

Post-Termination Transactions. This Policy continues to apply to your transactions in Company securities even after you have terminated employment. If you are in possession of material nonpublic information when your employment terminates, you may not trade in Company securities until that information has become public or is no longer material.

## **INDIVIDUAL RESPONSIBILITY**

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in Company securities while in possession of material nonpublic information. Each individual is responsible for making sure that he or she complies with this Policy, and that any family member, household member or entity whose transactions are subject to this Policy, as discussed herein, also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company, the General Counsel, or any other employee or director pursuant to this Policy or otherwise does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary

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action by the Company for any conduct prohibited by this Policy or applicable securities laws, as described herein.

### **ADMINISTRATION OF THE POLICY**

The Company's General Counsel shall be responsible for the administration of this Policy. All determinations and interpretations by the General Counsel shall be final and not subject to further review. Any person who has a question about this Statement of Policy or its application to any proposed transaction may obtain additional guidance from the Company's General Counsel, whose telephone number is (337) 233-1307. The Policy is also published on the Company's website. Ultimately, however, the responsibility for adhering to this Statement of Policy and avoiding unlawful transactions rests with the individual director, officer or other employee.

### **CERTIFICATION**

All employees must certify their understanding of and intent to comply with this Policy. A copy of the Certification that all employees (other than executive officers and certain other designated employees) must sign is attached to this Policy. Directors, executive officers and certain other designated employees are subject to additional restrictions on their transactions in Company securities, which are described in a separate policy statement. Directors, executive officers and other designated employees should sign the Certification attached to that policy statement instead of the one attached to this Policy.

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**CERTIFICATION**

I certify that I have read and understand the Company's Policy Statement Regarding Securities Trades by Company Personnel (previously defined herein as the "Policy"). I understand that the Company's General Counsel is available to answer any questions I have regarding the Policy. I will comply with the Policy for as long as I am subject to the Policy.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print name: \_\_\_\_\_