

LINCARE HOLDINGS INC.

**CHARTER OF THE
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

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ARTICLE 1. MISSION STATEMENT

The Audit Committee (the “Committee”) will assist the Board of Directors (the “Board”) in achieving its oversight and monitoring responsibilities to the stockholders relating to the accounting and financial reporting processes, financial controls and audits of the financial statements of the Company.

ARTICLE 2. ORGANIZATION

The Committee shall be composed solely of directors who are independent of management and the Company, as defined by the applicable NASDAQ Marketplace Rules and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934 (the “Act”). No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years. A director who does not meet these requirements may be appointed to the Committee if the Board, under exceptional and limited circumstances as permitted under the Act and applicable NASDAQ rules, determines that membership on the Committee by the individual is required for the best interests of the Company and its stockholders. There shall be at least three directors on the Committee, each of whom, as determined by the Board, shall have a working familiarity with basic finance and accounting practices and the ability to read and understand financial statements, including a company’s balance sheet, income statement and cash flow statement at the time of his or her appointment to the Committee. At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including having been a Chief Executive Officer, Chief Financial Officer or other senior officer with financial oversight responsibilities. Unless otherwise determined by the Board (in which case disclosure of such determination shall be made in the Company’s annual report filed with the Securities and Exchange Commission (the “SEC”), at least one member of the Committee shall be an “audit committee financial expert” (as defined by applicable SEC rules). Members of the Committee may not accept directly or indirectly any consulting, advisory or other compensatory fees from the Company other than for board and committee service and must not be an affiliated person of the Company.

The members of the Committee shall be elected by the Board and shall serve until their successors are duly appointed and qualified, or until the earlier of their death, resignation or removal. Unless a Chairperson is appointed by the full Board, the members of the Committee may designate a Chairperson by majority vote of the full Committee.

ARTICLE 3. AUDIT COMMITTEE RESPONSIBILITIES

The following functions and processes shall be the common recurring activities of the Committee in carrying out its oversight and monitoring responsibilities. These functions and processes are set forth as a guide with the understanding that the Committee may diverge from this guide as necessary and appropriate in carrying out its duties.

- Maintain direct responsibility for the appointment, compensation, retention and oversight of any registered public accounting firm (the “independent accountants”) engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Committee confers upon management the authority to make recommendations on independent auditor selection and replacement and to provide the Committee with feedback on the independent auditor’s performance. The Committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent accountants. The Committee shall have sole authority with respect to these matters, and the independent accountants shall report directly to and be accountable to the Committee in their capacity as the outside auditors of the Company.
- Review and approve all related-party transactions.
- Monitor the activities of the Accounting Manager responsible for administration of the Company’s internal control over financial reporting (“ICOFR”). The Accounting Manager shall report to the Committee on a periodic basis, as requested by the Committee or the Accounting Manager, and will be directly supervised by the Company’s Corporate Controller. The Accounting Manager shall have the ability to communicate directly with the Committee on all matters related to ICOFR and the accounting policies of the Company.
- Approve in advance the provision by the independent accountants of all permissible non-audit services, as set forth in Section 301 of the Sarbanes-Oxley Act of 2002. Management has the authority to pre-negotiate audit and non-audit engagement fees and to provide its recommendation for approval by the Committee.
- Review and ensure receipt from the independent accountants of a formal written statement delineating all relationships between the accountants and the Company in compliance with all applicable requirements of the Public Accounting

Oversight Board regarding the independent accountant's communications with the audit committee concerning independence.

- Discuss with the independent accountants any disclosed relationships or services or other matters that may impact the objectivity and independence of the independent accountants and take, or recommend that the full Board take, appropriate action to oversee the independence of the accountants.
- Meet with the independent accountants and financial management to review and pre-approve the scope of the proposed independent audit of the financial statements (and all other services related thereto) for the current year and the audit procedures to be utilized, and review such audit findings at the conclusion thereof.
- Review, consider and discuss with management and the independent accountants, as appropriate:
 - Financial statements and related footnotes and the independent accountants' report thereon, including their report on the adequacy of systems of internal control and any significant recommendations they may offer to improve controls.
 - The independent accountants' judgements about the quality and appropriateness of the Company's accounting principles as applied in financial reporting.
 - Any alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent accountants.
 - The adequacy of system-based internal controls over financial reporting and the safeguarding of assets and compliance with laws and regulations.
 - Any difficulties or disagreements with management encountered by the independent accountants during the course of the audit and any instances of second opinions sought by management. The Committee is responsible for resolving any disagreements between management and the independent accountants regarding financial reporting.
 - Other matters related to the conduct of the audit which are communicated to the Committee under generally accepted auditing standards and other material written communications between the independent accountants and management.
- Direct the independent accountants to use best efforts to perform all reviews of interim financial information prior to disclosure by the Company of such information and to discuss promptly with the Committee and the Chief Financial Officer any matters identified in connection with the independent accountants'

review of interim financial information that are required to be discussed by applicable auditing standards. The Committee shall direct management to advise the Committee in the event that the Company proposes to disclose interim financial information prior to completion of the independent accountants' review of interim financial information.

- Consider whether to recommend to the Board that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.
- Coordinate the Board's oversight of the Company's internal control over financial reporting, disclosure controls and procedures and code of conduct, and receive and review the reports of the Chief Executive Officer and Chief Financial Officer required by Rule 13a-14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").
- Establish procedures for the receipt, retention and treatment of (1) complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (2) confidential, anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Review draft sections of the Company's annual proxy statement relating to Committee functions and prepare the audit committee report to the stockholders required by the Securities and Exchange Commission to be included therein.
- Maintain minutes or other records of meetings and activities of the Committee.
- Report Committee actions to the Board with such recommendations as the Committee may deem appropriate.
- Review and reassess the adequacy of the Committee's formal written charter on an annual basis and update as determined necessary.

The Committee shall have the authority to engage independent counsel and other advisors it determines necessary to carry out its duties. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent accountants, any advisors employed by the Committee and ordinary administrative expenses that are necessary and appropriate in carrying out the duties of the Committee.

The responsibilities of a member of the Committee are in addition to those for a member of the Board. While the Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in compliance with generally accepted accounting principles. This is the responsibility of management and the independent accountants. Also, it is not the duty of the Committee to conduct investigations or to assure compliance with laws and regulations or the Company's corporate policies.

The Committee shall have such other duties as may be delegated from time to time by the Board.

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As reviewed and approved by the Committee on February 3, 2009 and approved by the Board of Directors on February 3, 2009