

Rotech Healthcare Inc.
Director Independence Requirements

An independent director shall mean a person other than an executive officer or employee of the Company or its subsidiaries or any other individual having a relationship, which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

A director cannot be independent who:

- is, or at any time in the past three years was, employed by the Company or any parent or subsidiary (as defined below) of the Company;
- has accepted, or who has a family member (as defined below) who has accepted, any compensation from the Company or any parent or subsidiary of the Company in excess of \$120,000 during the any period of 12 consecutive months within the preceding three fiscal years, other than:
 - compensation for director or board committee service;
 - compensation paid to a family member who is an employee (other than an executive officer) of the Company or a parent or subsidiary of the Company; or
 - benefits under a tax-qualified retirement plan, or non-discretionary compensation.
- is a family member of an individual who is, or at any time during the past three years was, employed by the Company or any parent or subsidiary of the Company as an executive officer;
- is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company serves on the compensation committee of such other entity; or
- is, or has a family member who is, a partner in, or controlling shareholder or executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5 percent of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than:
 - payments arising solely from investments in the Company's securities; or
 - payments under non-discretionary charitable contribution matching programs.

In addition, members of the audit committee of the Company's board of directors shall not, other than for service as a director or member of a board committee, accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries, as described in paragraph (b)(1)(ii)(A) of Rule 10A-3 promulgated under the Securities Exchange Act of 1934.