

CHATHAM LODGING TRUST
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE CHARTER

The following shall constitute the Charter of the Environmental, Social and Governance Committee (the “ESG Committee”) of the Board of Trustees (the “Board”) of Chatham Lodging Trust (the “Company”):

I. ORGANIZATION

The ESG Committee shall be a standing committee of the Board.

II. COMPOSITION AND SELECTION

The ESG Committee shall be composed of two or more trustees and two or more non-trustee executives or key employees of the Company, as determined by the Board from time to time. On occasion, the ESG Committee may invite non-committee members to attend meetings on issues related to the Company’s sustainability and ESG approach.

The Board shall, upon recommendation of the Nominating & Governance Committee and ESG Committee, or acting without recommendation, (a) appoint members to the ESG Committee, (b) remove ESG Committee members when appropriate and (c) elect a Chairman of the ESG Committee. The members of the ESG Committee shall serve for one year or until their successors are duly elected and qualified or until their earlier resignation or removal. Any member may be removed by the Board, with or without cause, at any time.

Members of the ESG Committee who are not members of the Board shall be entitled to attend and receive notice of all meetings of the ESG Committee, but they shall not be entitled to cast votes as committee members and their presence shall not be counted towards a quorum.

The duties and responsibilities of ESG Committee members contained herein shall be in addition to those duties otherwise required for members of the Board.

III. STATEMENT OF PURPOSE

The ESG Committee is appointed by the Board (1) to oversee ESG strategy and implementation of the Company’s ESG program; (2) to coordinate and communicate various ESG-related initiatives from internal functional departments and external entities across the Company; (3) to assist the Company and the other committees of the Board in complying with any ESG-related legal and regulatory requirements, as appropriate; and (4) to assist the Company in adapting with changes and evolution of ESG matters over time.

IV. COMMITTEE OBJECTIVES

The ESG Committee’s objectives are to develop, review and provide on-going oversight of and support for the Company’s strategy related to ESG matters, including but not limited to matters of environmental, diversity and inclusion, corporate social responsibility, employee relations, human rights, natural resource scarcity and sustainability.

V. COMMITTEE AUTHORITY AND RESPONSIBILITIES

The ESG Committee shall have authority, to the extent it deems necessary or appropriate, to obtain advice and assistance from internal or external legal or other advisors. The ESG Committee shall have the authority to retain and compensate such advisors without seeking further approval and shall receive appropriate funding, as determined by the ESG Committee, from the Company to compensate such advisors.

The ESG Committee may form and delegate authority to subcommittees when appropriate.

The ESG Committee shall:

1. Establish and continuously improve an ESG approach to management;
2. Review any concerns made by shareholders relating to ESG matters;
3. Review and refine the Company's Environmental Policy;
4. Identify and implement ESG best practices that align with the guiding principles of the Company;
5. Review and recommend appropriate social responsibility goals, policies and practices to the Board;
6. Review and monitor key performance metrics relating to social responsibility matters;
7. Oversee and review the Company's Human Rights Policy annually;
8. Make decisions regarding the prioritization of environmental risks and the allocation of resources to the mitigation of such risks;
9. Develop and enhance programs related to ESG-risks including:
 - a. Improving utility consumption efficiency through initiatives that reduce energy use, water consumption, waste generation and carbon emissions;
 - b. Creating a positive social impact by embedding health and wellness practices, human rights, supplier evaluation, local sourcing, and other social sustainability initiatives into workspaces and standard operating procedures;
 - c. Adopt initiatives to promote diversity, inclusion and gender parity;
 - d. Ensure compliance with any ESG-related legislation;
 - e. Publish the Company's publicly disclosed annual Corporate Responsibility Report and other sustainability reporting needs; and

- f. Any other duties related to ESG-related topics that may arise.

The ESG Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The ESG Committee shall also review its own performance on an annual basis.

VI. MEETINGS

The ESG Committee shall meet as often as may be deemed necessary or appropriate in its judgment and that of the Board, but no less than four (4) times per year. The Chairman or a majority of the members of the ESG Committee may call meetings of the ESG Committee, upon reasonable notice to all members of the ESG Committee and otherwise in the manner provided for in the Company's Bylaws. The provisions set forth in the Company's Bylaws for meetings of the Board and its committees shall govern the quorum and voting requirements for all meetings of the ESG Committee. Following each meeting, the Chairman of ESG Committee shall report and, if appropriate, make recommendations to the Board at the next regularly scheduled Board meeting, or sooner, as circumstances may dictate

VII. COMPENSATION

The ESG Committee members who are independent trustees of the Company shall be entitled to compensation for being members of the ESG Committee as such fees are established from time to time by the Board in accordance with its ESG Guidelines. Each member of the ESG Committee shall be entitled to be reimbursed for reasonable out-of-pocket expenses incurred by such member in attending meetings of the ESG Committee and in performing his or her duties as a member of the ESG Committee. No member of the ESG Committee who is an independent trustee of the Company shall receive from the Company for his or her service on the ESG Committee any compensation other than his or her fees for serving as a trustee or a member of the ESG Committee or any other committee of the Board.

VIII. CONSISTENCY WITH DECLARATION OF TRUST

To the extent that any provision or section of this Charter may be inconsistent with any article, provision or section of the Declaration of Trust or the Bylaws of the Company, the Declaration of Trust or the Bylaws, as appropriate, shall fully control.

Most Recently Updated: December 2022