

# FOURTH AMENDED AND RESTATED CHARTER OF THE NOMINATING / CORPORATE GOVERNANCE COMMITTEE OF ENCOMPASS HEALTH CORPORATION

## PURPOSE, OBJECTIVES AND RESPONSIBILITIES

The purpose and objectives of the Nominating/Corporate Governance Committee (the “Committee”) of the Board of Directors of Encompass Health Corporation (the “Company”) are to assist the Board of Directors in fulfilling its responsibilities to the Company and its stockholders, particularly with respect to the manner in which it conducts its stewardship of the Company.

The specific responsibilities of the Committee are to:

- (a) assist the Board of Directors in determining the appropriate characteristics, skills and experience for the individual members of the Board of Directors and the Board of Directors as a whole;
- (b) create a process that will allow the Committee to identify and evaluate individuals qualified to become members of the Board of Directors, consistent with the criteria approved by the Board of Directors, including individuals proposed for consideration by the Company's stockholders;
- (c) review the suitability for continued service as a director of each Board member when his or her terms expires, including considering such member's past attendance at meetings and participation in, and contributions to, the activities of the Board of Directors, and recommend whether or not the director should be re-nominated;
- (d) recommend to the Board of Directors the nominees for membership on the Board of Directors to be submitted by the Board of Directors to the stockholders at each annual meeting of stockholders, taking into account the criteria for membership on the Board of Directors and other relevant factors to be considered as set forth in the Corporate Governance Guidelines (as defined below);
- (e) recommend to the Board of Directors candidates to fill vacancies on the Board of Directors and newly-created positions on the Board of Directors resulting from any increase in the authorized number of Directors in the manner provided in the Company's By-laws;
- (f) develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Company, which shall be consistent with applicable laws and listing standards (the “Corporate Governance Guidelines”). At a minimum, the Corporate Governance Guidelines shall address: (i) director qualification standards; (ii) director responsibilities; (iii) director access to management and, as necessary and appropriate, independent advisors; (iv) director compensation; (v) director orientation and continuing education; (vi) management succession; and (vii) annual performance evaluation of the Board of Directors;
- (g) periodically review the Corporate Governance Guidelines to assure they are appropriate for the Company and comply with the requirements of the NYSE, and recommend to the Board of Directors such changes in the Corporate Governance Guidelines

- as the Committee deems necessary or advisable;
- (h) make recommendations to the Board of Directors regarding the composition of each standing committee of the Board of Directors, taking into account specific committee duties and responsibilities and the experience and qualifications of the proposed members;
  - (i) monitor the functioning of the committees of the Board of Directors and make recommendations for any changes, review annually committee assignments and the policy with respect to rotation of committee memberships and/or chairs, and report any recommendations to the Board of Directors;
  - (j) assist the Board of Directors in considering whether a transaction between a member of the Board of Directors and the Company presents an inappropriate conflict of interest and/or impairs the independence of any member of the Board of Directors;
  - (k) oversee the evaluation of the Board of Directors and the management of the Company;
  - (l) perform an annual performance evaluation of the Committee and the members of the Committee;
  - (m) form succession plans for the Company's officer positions at the senior vice president level and higher – taking into account the responsibilities, evaluations of performance by existing executive officers, experience, and qualifications of proposed candidates for those positions – and review such management succession planning with the Board of Directors on at least an annual basis;
  - (n) report to the Board of Directors on a regular basis, as determined by the Committee or the Board of Directors; and
  - (o) fulfill such other duties as may be specified in this charter, including the evaluation duties specified below, and such other duties as may be delegated to it from time to time by the Board of Directors.
- The Committee will coordinate its effort with those of the Compliance Committee in areas in which the responsibilities of the Committee and the Compliance Committee overlap.

## COMMITTEE COMPOSITION

The Committee shall consist of no fewer than three members.

Each member of the Committee shall be appointed by the Board of Directors. No member of the Committee may be removed except by a majority of independent directors (as defined in the Corporate Governance Guidelines) then in office. The Board of Directors may fill vacancies on the Committee by a majority vote of the Board of Directors.

Each member of the Committee must qualify as an independent director under the Corporate Governance Guidelines and otherwise meet the qualifications for membership on a nominating / corporate governance committee imposed by the New York Stock Exchange and any other laws and regulations applicable to the Company.

The Board of Directors shall designate one member of the Committee as its chairperson (the "Chair"), provided that if the Board of Directors does not designate a Chair, the members of the Committee, by majority vote, may designate a Chair. Except as may be expressly provided to the contrary in the by-laws of the Company or in this charter, the Committee shall determine the rules of procedure under which the Committee shall operate.

## COMMITTEE STRUCTURE AND OPERATION

The Committee shall meet as often as it deems necessary to carry out its duties and responsibilities, but in any event not less than four times per year. A majority of the members of the Committee present in

person or by means of a conference telephone or other communication equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Chair shall preside over the meetings of the Committee and shall appoint a secretary (who need not be a member of the Committee) to take written minutes of the meetings.

The Chair, in consultation with the other members of the Committee and subject to the requirements set forth in this Charter, will determine the frequency and duration of the meetings of the Committee and the agenda of items to be addressed at each meeting. In advance of each meeting and to the extent practicable, the Chair shall circulate the agenda for each meeting to each member of the Committee. In addition, if requested by the Board of Directors, the Chair shall call a meeting of the Committee and place on the agenda such items as may be requested by the Board of Directors.

The Committee may invite to its meetings other members of the Board of Directors, members of the Company's management and such other persons as the Committee deems appropriate. The Committee may exclude any person (other than a member of the Committee) from a meeting as the Committee deems appropriate.

The Committee may form and delegate any of its authority and/or responsibilities to one or more subcommittee(s) as deemed appropriate by the Committee; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any applicable law, regulation or listing standard to be exercised by the Committee as a whole.

## **AUTHORITY**

The Committee shall have the sole authority to retain and terminate any search firm to be used to identify candidates for membership on the Board of Directors and to approve such search firm's fees and other retention terms, such fees to be borne by the Company.

The Committee shall have the authority to (a) obtain, at the expense of the Company, the advice and assistance of outside advisers, including legal and accounting advisers, as reasonably necessary to fulfill

its responsibilities, and (b) perform all acts necessary or appropriate to fulfill its responsibilities and achieve its objectives under this charter and as otherwise directed by the Board of Directors, provided such acts are not in violation of the by-laws and certificate of incorporation of the Company, this charter, the Corporate Governance Guidelines, the Company's Standards of Business Conduct or any laws and regulations applicable to the Company.

## **QUALIFICATIONS OF DIRECTORS**

The Committee shall develop and recommend to the Board of Directors, as part of the Corporate Governance Guidelines, the criteria for the selection of new members of the Board of Directors and its committees, in accordance with the policies of the Committee, the by-laws of the Company and all laws and regulations applicable to the Company, including criteria relating to (a) conflicts of interest applicable to the members of the Board of Directors, (b) expertise required for members of the Board of Directors, (c) outside demands on members of the Board of Directors, including other directorships and (d) diversity.

The Committee may, if it deems appropriate, establish procedures to be followed by stockholders in submitting recommendations for Board candidates. Such procedures may include whether and how a stockholder may participate in a company's nomination process, and the manner in which stockholder nominees are evaluated, including differences, if any, between how stockholder nominees and how other nominees are evaluated. If the Committee does not have a policy with regard to the consideration of Board candidates nominated by stockholders, the Committee may make a statement of that fact and a statement of the basis for the view of the Board that it is appropriate for the Company not to have such a policy.

## **REVIEWS AND EVALUATIONS**

The Committee shall be responsible, at least on an annual basis, for reviewing and evaluating (a) the performance of the Committee and the members of the Committee, (b) whether this Charter appropriately addresses the matters that are or should be within its scope and recommend changes as it deems necessary or appropriate, and (c) with management, the Company's material risk exposures in any areas assigned to the Committee by the Board of Directors and the steps management takes to monitor and mitigate any such exposures. The Committee shall

also oversee the evaluation of the Board of Directors and the evaluation process for management.

In performing the reviews and evaluations set forth above, the Committee may solicit, to the extent practicable, comments from all members of the Board of Directors. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this charter and any recommended changes to the Company's or the Board's policies or procedures.

## **DISCLOSURE OF CHARTER**

This charter shall be made available on the Company's website.

## **DATE OF ADOPTION**

This fourth amended and restated charter was approved by the Board of Directors on February 23, 2018.