

CLEVER LEAVES HOLDINGS INC.

CORPORATE GOVERNANCE GUIDELINES

These Corporate Governance Guidelines (“Guidelines”) were reviewed and approved by the Board of Directors (the “Board”) of Clever Leaves Holdings Inc. (the “Company”) on December 9, 2020.

Clever Leaves Holdings Inc. is committed to developing effective, transparent and accountable corporate governance practices. These Guidelines were approved by the Company’s Board of Directors (“the Board”), on the recommendation of the Nominating and Governance Committee, as a set of guiding principles by which the affairs of the Company will be governed. The Guidelines are subject to regular review by the Nominating and Governance Committee who may recommend to the Board that they be modified or updated, when appropriate.

I. Board Responsibilities

1 *Responsibilities of the Board*

The business of the Company is conducted by management under the direction of the Chief Executive Officer (the “CEO”). The Board’s responsibility is to oversee, on behalf of shareholders, the conduct of the Company’s business, to provide advice and counsel to the CEO and senior management, to protect the Company’s best interests and to foster the creation of long-term value for shareholders.

Among other things, the Board’s decision-making responsibilities include:

- A. Review and approval of the Company’s mission, long-term strategy, annual operating plans, objectives and policies, as developed by the CEO and senior management;
- B. Approval of director candidates recommended by the Nominating and Governance Committee for election by shareholders at the Annual Meeting;
- C. Reviewing assessments of, and advising management with respect to, significant risks and issues facing the Company;
- D. Approval of material corporate actions and major transactions; and
- E. Ensuring the establishment of, and monitoring compliance with, processes designed to ensure the integrity of the Company’s actions, including its financial statements and financial reporting, its relationships with customers, suppliers and other constituencies, and its compliance with law and its policies.

Among other things, the Board’s oversight responsibilities include monitoring and/or making inquiries concerning:

- A. The Company’s performance in relation to its mission, strategies, financial and non-financial objectives;
- B. The performance and effectiveness of the Company’s management team;
- C. Succession and development plans for key Company executives, including the CEO;
- D. The Company’s financial reporting processes, internal controls and risk management processes; and
- E. The Company’s compliance with legal and regulatory requirements.

In carrying out their responsibilities, Board members shall exercise their business judgment and act in ways that they reasonably believe will serve the best interests of the Company. As appropriate and as legally permitted, the Board shall also consider the interests of other stakeholders, including associates, customers, lenders and the members of the communities in which the Company operates.

2 ***Expectations of Board Members***

Board members are expected to:

- A. Become and remain informed about the Company, its business and its industry;
- B. Attend all meetings of the Board and of Board committees on which they serve, having read and considered the pre-reading materials in advance of the meeting. Both incumbent and prospective Board members are also encouraged to attend the Company’s Annual Meeting; and
- C. Participate constructively in Board and committee meetings, drawing upon their individual experience, knowledge and background, as appropriate, to provide perspectives and insights.

II. Board Operations

1 ***Board Size***

Subject to the conditions outlined in the Company’s organizational documents, the number of directors which shall constitute the Board of Directors shall be fixed by resolution adopted by the affirmative vote of a majority of the total number of directors then in office, subject to increases as set forth in the Company’s organizational documents.

2 ***Board Meetings***

The Board holds at least four regular meetings each year and may hold additional or special meetings whenever necessary or appropriate. Board members may participate in regular or special meetings in person, by conference call or other electronic means. The Board may also act by unanimous written consent.

3 *Board Leadership*

The Board has no fixed rule as to whether the roles of Chair and the CEO should be vested in the same individual or different individuals. The Board believes that the combination or separation of these offices should continue to be considered as part of the succession planning process.

If the roles of Chair and CEO are vested in same individual, the Board will appoint a lead independent director. The lead independent director will have the following duties and responsibilities:

- A. With the Chair, review Board meeting agendas and Board meeting schedules to ensure there is sufficient time for discussion of all agenda items;
- B. With the Chair, provide input regarding presentation materials and other written information provided to directors for Board meetings;
- C. Preside at all meetings at which the Chair is not present, including executive sessions of the non-employee directors;
- D. Be available for consultation and direct communications with the Company's shareholders; and
- E. Perform such other duties as the Board may determine from time to time.

4 *Board Agendas*

The Chair and CEO, together with the lead independent director, if any, establishes the agenda for each Board meeting and distributes it to directors in advance of the meeting. Any director may request that a subject be included on the agenda and may raise a subject that is not on the agenda at any Board meeting.

5 *Pre-Reading Materials*

Pre-reading materials for the Board and committee meetings are distributed to directors sufficiently in advance of each meeting to permit meaningful review. Materials should be as concise as possible while still providing the information necessary for directors to make an informed judgment on the agenda items. However, it is recognized that certain exigent circumstances may cause the materials to be late or incomplete.

6 *Board Committees*

The Board has three standing committees: Audit, Compensation, and the Nominating and Governance Committees. The committees' charters are posted on the Company's website. The Nominating and Governance Committee regularly reviews the Board's committee structure and charters in conjunction with the committee chairs. Committee charters shall be updated as necessary or appropriate to ensure compliance with the Nasdaq rules, any other applicable laws, regulations, governance trends and best practices, as appropriate.

The Nominating and Governance Committee makes recommendations to the Board relative to committee members and chairs consistent with the membership criteria outlined in the applicable committee charter. Committee appointments are subject to approval of the majority of the full Board. The Board may replace any committee chairs or members or add additional members to a Board committee at any time.

7 *Executive Sessions of Non-Management Directors*

The non-management directors meet regularly without management present in conjunction with the Board meetings. The executive sessions are chaired by the Chair or lead independent director, as appropriate. After the executive session, the meeting Chair or lead independent director updates the CEO on the key items discussed. Non-management directors who are not independent under the Nasdaq rules will participate in these executive sessions unless otherwise conflicted or they recuse themselves.

III. Director Qualifications and Board Composition

1 *Director Criteria*

The Company seeks to align Board composition with the Company's strategic direction so that the Board members bring skills, experience, diversity and backgrounds that are relevant to the key strategic and operational issues that they will oversee and approve. Director candidates are typically selected based upon their character, track record of accomplishment in leadership roles and diversity, as well as their professional and corporate expertise, skills and experience. Criteria that are typically considered by the Board in the selection of directors include:

- A. the independence, judgment, strength of character, reputation in the business community, ethics and integrity of the individual;
- B. the business or other relevant experience, skills, and knowledge that the individual may have that will enable him/her to provide effective oversight of the Company's business;
- C. the fit of the individual's skill set and personality with those of the other Board members so as to build a Board that works together effectively and constructively;

- D. the individual's ability to devote sufficient time to carry out his or her responsibilities as a director in light of his/her occupation and the number of boards of directors of other public companies on which he or she serves;
- E. the candidate's diversity with respect to gender, ethnicity, race, nationality and age.

2 *Regulatory Requirements*

The Board will have a majority of directors who satisfy the criteria for "independent directors," pursuant to the Nasdaq rules. The Nominating and Governance Committee shall annually review each director's independence and any material relationships such director has with the Company. Following such review, only those directors who the Board affirmatively determines have no material relationship to the Company, and otherwise satisfy the independence requirements of the Nasdaq rules, will be considered "independent directors." The basis for any determination by the Board that a particular relationship between a director and the Company is not material will be published in the Company's annual proxy statement or, if the Company does not file an annual proxy statement, in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission. The Company's Audit Committee must be comprised of independent directors, as defined by the Nasdaq rules. In addition, one of the independent directors serving on the Audit Committee must qualify as a "financial expert" as defined by the Sarbanes-Oxley Act of 2002.

The Nominating and Governance Committee reviews Board and committee composition at least annually to ensure that compliance with Nasdaq and any other regulatory requirements are met. In so doing, the Nominating and Governance Committee conducts a review of the independence of all members of the Board for the purposes of determining which Board members are deemed independent and which are not. Board members must notify the Chair of the Nominating and Governance Committee, as soon as practicable, in the event that their circumstances change in a manner that may impact the committee's view of their independence.

3 *Nominating Process*

The nominating process outlined herein applies only with respect to the nomination of director candidates who will be presented to the Company's shareholders for election at the Annual Meeting, if any. Where a third party has the right to nominate one or more directors to the Company's Board, the selection and nomination of such directors need not be subject to this process.

The Nominating and Governance Committee is responsible for the identification and recruitment of director candidates for election by the shareholders and makes recommendations with respect to the nomination of new Board members, which are subject to a vote of the full Board. In developing recommendations for new Board candidates, the nominating process used by the committee consists of the following steps:

- A. The Nominating and Governance Committee reviews current Board composition to determine particular skills or experience to be added or replaced through the recruitment of new Board members. The committee informs members of the Board, members of senior management and any search firm retained by the committee to assist in director recruitment in light of these needs and asks for their help in identifying strong Board candidates who would meet these requirements and the broader director criteria outlined above;
- B. Any potential Board candidates identified by the search firm, the network of contacts of the current Board and senior management and any director candidates recommended by shareholders will be reviewed by the Nominating and Governance Committee against these needs and the broader director criteria and a “short list” of candidates will be prepared from this preliminary review;
- C. Reference checks on “short listed” candidates will be conducted, including gathering references and perspectives from any current Board members or members of senior management who may know the candidate. Any search firm retained by the Nominating and Governance Committee may also assist the committee with the reference checks;
- D. Leading candidates from the “short list” who have strong references will be interviewed by one or more members of the Nominating and Governance Committee, by the CEO and, if appropriate, other Board members or other members of senior management. The Chair of the Nominating and Governance Committee will gather feedback from the interviews;
- E. The Nominating and Governance Committee will meet in person or by conference call to discuss and make recommendations to the Board with respect to the candidates. The full Board will then vote on the committee’s recommendations. Those candidates approved by a majority of the Board shall be nominated for election by the Company’s shareholders at the next Annual Meeting.

The Chair or CEO of the Company will contact any candidate(s) so approved, invite them to attend the Company’s Annual Meeting and to join the Board at its first meeting thereafter, if they are elected by the Company’s shareholders at the Annual Meeting. In the case of a Board candidate appointed between Annual Meetings, the same nominating process will generally apply except that the approved candidate will be invited to join the Board at its next meeting after his/her approval by the Board and will stand for election by shareholders at the first Annual Meeting thereafter.

In accordance with the Articles and with the Business Corporations Act, S.B.C. 2002, c. 57, as amended from time to time, the Board may fill any casual vacancy, which shall not be counted as an appointment of an additional director in accordance with the Articles.

4 *Director Terms*

Directors elected by shareholders shall be elected annually and shall serve for a term of one year, subject to re-nomination on the recommendation of the Nominating and Governance Committee and approval by the majority of the Board. Directors who are appointed by third parties having the right to appoint one or more Board members shall be subject to the terms of appointment established by such third party pursuant to its legal rights with the Company.

The Board does not believe in the establishment of arbitrary term limits. While term limits may help ensure that fresh ideas and viewpoints are available to the Board, they may force the Company to lose the contribution of directors who, over time, have developed increased insight into the Company's businesses and operations. The Board seeks to maintain a balance of directors who have longer terms of service and directors who have joined more recently.

Per Board policy, unless the Board otherwise determines, non-employee directors shall serve only until the Annual Meeting of shareholders immediately following their 75th birthday.

5 *Change of Position*

Any director whose primary employment changes from the position that he or she held when becoming a member of the Board will promptly notify the Chair of the Nominating and Governance Committee and each of the committees on which they serve of this change and submit a written resignation from the Board. The director's resignation shall not become effective unless accepted by the Board. The person holding the office of CEO shall tender to the Board his or her resignation as a director at the same time that his or her service as CEO ends.

6 *Limitations on Board Service*

An individual member of the Board should not sit on more than four public company boards (including service on the Company's Board). If a member of the Company's Board serves as an executive officer of a publicly traded company, that member should not serve on the boards of more than two public companies (including their own company). In selecting nominees for membership, the Board takes into account the other demands on the time of a candidate, and with respect to current members of the Board, their attendance at, preparedness for and participation in Board and Committee meetings. Directors should advise the Chair of the Nominating and Governance Committee and each of the committees in which they serve in advance of accepting an invitation to serve on another public company board.

IV. Director Access to Management and Independent Advisors

1 *Access to Management*

At the request of the Chair or CEO, members of senior management or other employees may be invited to attend meetings of the Board to present information concerning the Company's business within their areas of responsibility.

Directors shall have full and unrestricted access to any relevant Company records and may request that any officer or other employee of the Company or the Company's outside counsel or accountants meet with any members of, or consultants to the Board or any committee. As a courtesy, directors will exercise their judgment to ensure that this access does not impede or interfere with the conduct of the Company's business.

Directors have access to management and employees of the Company. Meetings or contacts shall be arranged through the Company's CEO in consultation with the Chair. The CEO and Chair shall use their judgment to ensure that such contact is not disruptive to the business operations of the Company.

2 *Access to Independent Advisors*

In their sole discretion, the Board and each of its committees shall have the sole authority and responsibility to select, employ, retain and terminate any financial, legal, executive search, consulting and other professional advisors as they deem necessary or appropriate to assist in the discharge of their responsibilities. The Company shall provide funding to cover the professional fees and reasonable expenses of any such independent advisors retained by the Board or any of its committees.

V. Director Compensation

The Compensation Committee shall recommend to the full Board for its approval the amount and form of compensation to be paid to Company directors. In making its recommendations, the Compensation Committee shall consider the director compensation policies and practices at the Company's principal competitors and other comparable companies to ensure that the compensation (both direct and indirect forms) paid to the Company's directors is reasonable. The Board shall review its directors' compensation practices and levels annually. Members of management who are also members of the Board shall not receive any additional compensation for their service as directors, committee members or committee chair.

VI. Director Orientation and Continuing Education

1 *Director Orientation*

Upon election to the Board by shareholders or appointment by any third party having the right to appoint directors to the Company's Board, new directors participate in an orientation session designed jointly by the Nominating and Governance Committee, the Chair and CEO and the Company's senior management.

2 *Continuing Education*

Management shall make presentations to or arrange educational programs for the Board on different aspects of the business of the Company, which may include business strategy, risk management, financial reporting, products and services, industry trends and developments, corporate governance and other relevant topics. Such presentations or sessions may be provided by management on its own initiative or at the request of, or in conjunction with, the Nominating and Governance Committee. The Company encourages the directors to continue their education on an annual basis by attending and/or enrolling in one or more available educational opportunities that would further their understanding of the business of the Company, current Board member trends and enhance their performance on the Board. The Company shall provide reimbursement of expenses incurred by a director for continuing their education on an annual basis. The director shall obtain approval for any continuing education expense prior to being incurred, which shall not be unreasonably withheld, from the Nominating and Governance Committee as well as either the Chair or the CEO of the Company.

VII. Succession Planning

The Board receives regular updates and recommendations from the Compensation Committee regarding succession planning for the CEO and other key members of the Company's senior management team. The plan of succession includes an assessment of the experience, performance, skills and planned career paths for possible successors for the CEO position and other key executive roles. The Compensation Committee leads the annual review of CEO performance, in which all Board members provide input, and oversees the CEO's performance review of senior executives for purposes of compensation decisions, succession planning and leadership development.

VIII. Oversight of Risk

The Board believes that risk management is an important part of establishing, updating and executing on the Company's business strategy. The Board, as a whole and at the committee level, has oversight responsibility relating to risks that could affect the corporate strategy, business objectives, compliance, operations, and the financial condition and performance of the Company. The Board focuses its oversight on the most significant risks facing the Company and its processes to identify, prioritize, assess, manage and mitigate those risks. The Board and its committees receive regular reports from members of the Company's senior management on areas of material risk to the Company, including strategic, operational, financial, legal and regulatory, and cybersecurity and information technology risks. While the Board has an oversight role, management is principally tasked with direct responsibility for management and assessment of risks and the implementation of processes and controls to mitigate their effects on the Company.

IX. Board and Committee Assessment

The Board is committed to continuous improvement and conducts an annual self-assessment of the performance of the Board and each of the Board committees. The assessment process is led and coordinated by the Nominating and Governance Committee. The self-assessment is designed to identify areas where the Board and its committees are particularly effective and to surface opportunities for further enhancement. When the self-assessments have been completed, the results and any recommendations made by the Nominating and Governance Committee to further enhance the Board's functioning are discussed by the full Board.

X. Board Communication Policy

The CEO and senior management are responsible for establishing effective communications with the Company's stakeholders, including shareholders, customers, suppliers and governments, as well as the media and other third parties. The Board believes that management should speak for the Company and that the Chair should speak for the Board. In order to ensure compliance with applicable securities laws and to avoid the potential detriment to the interests of the Company, its shareholders and other constituencies that could result from inconsistent communications, the members of the Board will not respond to media inquiries or make statements to the media regarding the Company and its business without consultation with, and approval by, the Chair or the Board. If there is a situation in which a director of the Company is to speak privately with one or more of the Company's securityholders, the director shall pre-clear the discussion topics with the General Counsel or have the General Counsel participate in the meeting. Notwithstanding the foregoing, the Audit Committee and the independent directors have established procedures to enable anyone who has a concern about the Company's conduct or about the Company's accounting, internal accounting controls or auditing matters to communicate those concerns directly to the Audit Committee, the Chair, the lead independent director (if any) or the independent directors as a group.

XI. Confidentiality

The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidentially and used solely in furtherance of the Company's business, except as expressly authorized by the Board, permitted by any Company policy, or, after written notice to the General Counsel and cooperating with the Company's efforts to limit the applicability of any legal requirements, as legally required to disclose such information. Notwithstanding the foregoing, nothing in these Corporate Governance Guidelines is intended to or will be used in any way to limit a director's right to communicate with a government agency, as provided for, protected under or warranted by applicable law.

XII. Code of Conduct and Other Company Policies

The Company has adopted a Code of Conduct and other internal policies and guidelines designed to support these guidelines and to comply with applicable law. The directors are

expected to comply fully with the Code of Conduct and any other applicable policies and guidelines. The Board will adopt and review, as appropriate, policies and procedures designed to ensure that the Company, its directors, officers and employees comply, in all material respects, with all applicable regulatory requirements and conduct the Company's business ethically and with honesty and integrity.

XIII. Shareholder Access to the Board

1 *Communications with Non-Management Directors*

Shareholders and any other interested parties may communicate with the Company's non-management directors, including Chair and committee chairs by using the following address:

Clever Leaves Holdings Inc.
Board of Directors
c/o General Counsel
489 Fifth Avenue, 27th Floor
New York, NY 10017

The General Counsel reviews all communications and forwards such communications to the appropriate party. Items that are unrelated to the duties and responsibilities of the Board will not be forwarded, such as: business solicitation or advertisements; product-related inquiries; junk mail or mass mailings; resumes or other job-related inquiries; spam or overly hostile, threatening, potential illegal or similarly unsuitable communications.

2 *Shareholder Recommendations for Board Candidates*

Shareholders wishing to recommend candidates to serve on the Company's Board may do so in accordance with the Articles of the Company.

XIV. Auditor Hiring Practices

1 *Current Auditor Personnel*

An individual may not be employed by both the Company and the Company's auditor at the same time. To that end, the Company will not employ a current partner, principal, shareholder, or professional employee of the Company's auditor. The Company will not employ in an accounting role or financial reporting oversight role a close family member (including a spouse, spousal equivalent, parents, dependents, nondependent children and siblings) of a member of the Company's audit engagement team, any audit firm personnel that supervise the Company's audit, perform quality control or evaluate the audit partner, or other audit firm employees that provided or expect to provide at least ten hours of non-audit services to the Company or work in the same office where the lead audit engagement partner for the Company's audit primarily practices.

2 *Cooling Off Period*

The Company will not employ in a financial reporting oversight role any former partner, principal, shareholder, or professional employee of the Company's auditor who has been a member of the audit engagement team unless a period of at least two years has elapsed following the end of that individual's membership on the audit engagement team. The Company's Chief Financial Officer may authorize a shorter "cooling off" period if permitted under Rule 2-01 of Regulation S-X.

3 *Former Auditor Personnel*

The Company will not employ in an accounting role or financial reporting oversight role any former partner, principal, shareholder, or professional employee of the Company's auditor if he or she:

- A. is in a position to influence the Company's auditor's operations or financial policies; or
- B. has a continuing financial interest in, or a financial arrangement (other than a permitted fixed payment plan) with, the independent auditor.

4 *Engagement Letter*

The Company will not employ any other individual whose employment by the Company is prohibited by, or violates, the terms of the engagement letter signed by the Company with the independent auditor.

5 *Management Approval and Board Reporting*

The Company's CEO must approve the hiring of any former employee of the independent auditor into a vice president position or higher position at the Company. The Company's CEO shall report annually to the audit committee with respect to any hire the Company has made from the Company's auditor during the preceding year.