

# **GREENLANE HOLDINGS, INC. CORPORATE GOVERNANCE GUIDELINES**

## **(as amended by the Board of Directors on January 5, 2022)**

### **I. Role and Functions of the Board**

Greenlane's business is conducted by officers, managers, and employees, under the direction of the Chief Executive Officer (CEO) and the oversight of the Board. The Board of Directors is elected by the shareholders to oversee management and to assure that the long-term interests of the shareholders are being served. Accordingly, the Board oversees and interacts with senior management with respect to key aspects of the Company's business including but not limited to strategy, compliance, risk assessment and mitigation, senior management development, operating performance, sustainability and shareholder returns. In addition to its general oversight of management, the Board also performs a number of specific functions, some of which may be carried out by one or more Committees of the Board or the independent Directors, including:

1. selecting, evaluating and compensating the CEO and overseeing CEO succession planning;
2. providing counsel and oversight on the selection, evaluation, development and compensation of senior management;
3. reviewing, monitoring and, where appropriate, approving fundamental financial and business strategies and major corporate actions;
4. assessing major risks facing the company – and reviewing options for their mitigation;
5. overseeing processes designed to ensure the accuracy and completeness of the Company's financial statements, including the effectiveness of the Company's internal controls; and
6. ensuring processes are in place for monitoring the integrity of the Company – the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers, and the integrity of relationships with other stakeholders.

### **II. Board Membership**

1. Size of Board. The Board will be comprised of between seven (7) and nine (9) members. This range permits diversity of perspectives and experience without hindering effective discussion. However, the Board is prepared to increase its membership if the Board deems it advisable, for example to bring specialized talent to the Board or to comply with applicable listing standards of the Nasdaq Stock Market LLC ("Nasdaq").

2. Majority of Independent Directors. Independent directors must comprise a majority of the Board. An independent Director of the Corporation is a Director who meets the Nasdaq definition of independence, as determined by the Board. Consistent with this definition, an independent Director is a Director who:

- (a) is not, and was not at any time during the past three years, employed by the Corporation;

(b) has not accepted, and does not have a family member<sup>1</sup> who accepted, any compensation from the Corporation in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:

(i) compensation for Board or Board Committee service;

(ii) compensation paid to a family member who is an employee (other than an executive officer) of the Corporation; or

(iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.

(c) is not a family member of an individual who is, or at any time during the past three years was, employed by the Corporation as an executive officer;

(d) is not, and does not have a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization (including charitable organizations) to which the Corporation made, or from which the Corporation received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:

(i) Payments arising solely from investments in the Corporation's securities; or

(ii) Payments under non-discretionary charitable contribution matching programs.

(e) is not, and does not have 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 Corporation serve on the compensation committee of such other entity;

(f) is not, and does not have a family member who is, a current partner of the Corporation's outside auditor, or was a partner or employee of the Corporation's outside auditor who worked on the Corporation's audit at any time during any of the past three years; and

(g) does not have any relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In determining whether a Director has any relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a

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<sup>1</sup> The following provisions will be interpreted in a manner consistent with Nasdaq's definition of independence, including the exceptions contained therein. A "family member" is defined as a person's spouse, parents, children, and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

director, the Board shall consider all relevant facts and circumstances, including the Director's commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships and such other criteria as the Board may determine from time to time. If a Director serves as a director or trustee of a charitable organization, such relationship will be considered to not be a material relationship that would impair a Director's independence where contributions from the Corporation, or any of its consolidated subsidiaries, to such charitable organization in any of the last three fiscal years do not exceed the greater of \$200,000 or 5% of the annual consolidated gross revenues of such charitable organization for its last completed fiscal year. When such thresholds are exceeded, the Board will make a case-by-case determination.

In addition to satisfying all of the independence criteria set forth in paragraphs (a) through (g) of this Section 2, members of the Audit Committee and the Compensation Committee must meet additional independence criteria.

(a) All members of the Audit Committee must meet the following requirements:

(i) Director's fees are the only compensation that members of the Audit Committee may receive from the Corporation or any of its subsidiaries. Audit Committee members may not receive directly or indirectly any consulting, advisory or other compensatory fees from the Corporation or any of its subsidiaries (other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other committee of the Board).

(ii) No member of the Audit Committee may be an "affiliated person" of the Corporation, or any of its subsidiaries, as such term is defined by the Securities and Exchange Commission.

(b) In determining whether a Director is considered independent for purposes of serving on the Compensation Committee, the Board must consider all factors specifically relevant to determining whether such Director has a relationship to the Corporation, or any of its consolidated subsidiaries, that is material to such Director's ability to be independent from management in connection with the duties of a compensation committee member, including:

(i) the source of such Director's compensation, including any consulting, advisory or other compensatory fee received from the Corporation or any of its consolidated subsidiaries; and

(ii) whether such Director is affiliated with the Corporation, any of its subsidiaries, or an affiliate of any of its subsidiaries.

Each independent Director of the Board shall promptly notify the Chairman of the Board of any developments that may impair such director's independence. If a conflict exists and cannot be resolved, such director should submit to the Board written notification of such conflict of interest and an offer of resignation from the Board and each of the committees on which such director

serves. The Board need not accept such offer of resignation; however, the submission of such offer of resignation provides the opportunity for the Board to review the appropriateness of the continuation of such individual's membership on the Board or any Board Committee.

3. Director Selection and Board Membership Criteria. The Nominating and Corporate Governance Committee of the Board (the "Nominating Committee") has, as one of its responsibilities, the recommendation of director candidates to the full Board. The full Board is responsible for selecting its members and recommending them for election by stockholders or by a majority vote of the Board to fill vacancies. The invitation to join the Board should be extended by the Chairman, on behalf of the entire Board.

Criteria. The Nominating Committee works with the Board annually to determine the appropriate characteristics, skills, and experience for the Board with the objective of having a Board with diverse backgrounds and experience. The Nominating Committee and the Board evaluate each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of the Company's business and represent shareholder interests through the exercise of sound judgment, based on its breadth of experience. Typical selection criteria are summarized in the following paragraphs:

- a. Characteristics expected of all directors include integrity, high personal and professional ethics, sound business judgment, high performance standards, and the ability and willingness to commit sufficient time, energy, and attention to the Board.
- b. In evaluating the suitability of individual Board members: the Board considers many factors, including a general understanding of global business, sales and marketing, technology, finance, human capital management, law, corporate governance, and other disciplines relevant to similar publicly traded companies; independence; understanding of the Company's business; educational and professional background; personal accomplishments; and geographic, gender, age, and ethnic diversity.
- c. In determining whether to recommend a Director for re-election: the Nominating Committee also considers (i) the Director's past attendance at Board and Committee Meetings; (ii) the Director's level and quality of participation in and contributions to the activities of the Board; (iii) the results of the periodic Board evaluations with respect to such director; and (iv) any relationships and transactions that might impair such Director's independence.

The Nominating Committee is committed to actively seeking out highly qualified women and minority candidates, as well as candidates with diverse backgrounds, skills and experiences, to include in the pool from which Board nominees are chosen.

(b) Simultaneous Service. In determining whether Directors or nominees for Director are qualified to serve on the Board or committees thereof, the simultaneous service of such director or nominee on other boards of directors or committees thereof shall be taken into account. Directors should advise the Chairman of the Board and the chair of the Nominating Committee in advance of accepting an invitation to serve on another public company board or audit committee. No director will be permitted to serve on the board of directors of more than three public companies, including service on the Board.

4. **Annual Election of Directors.** Any nominee for Director in an uncontested election (i.e., an election where the number of nominees is not greater than the number of Directors to be elected) who receives a greater number of votes “against” his or her election than votes “for” such election shall, promptly following certification of the shareholder vote, offer his or her resignation to the Board. The resignation offer shall be made promptly and in writing and shall be an irrevocable resignation offer pending acceptance or rejection as provided herein. The Nominating Committee shall consider the resignation offer and make a recommendation to the Board. The independent members of the Board will act on the Nominating and Corporate Governance Committee’s recommendation within 90 days following certification of the shareholder vote.

5. **Retirement.**

(a) **Term Limits.** The Board does not favor term limits for directors but believes that it is important to monitor overall Board performance. Therefore, the Nominating Committee shall review each director’s continuation on the Board annually. This review will allow each director the opportunity to confirm his or her desire to continue as a member of the Board.

(b) **Change in Job Responsibilities.** Directors should notify the Chairman of the Board and the Chair of the Nominating Committee of any significant change in his or her principal occupation (including retirement), employer, or status as a member of the board of any public company. Any independent Director shall also promptly inform the Chairman of the Board and the Chair of the Nominating Committee of any change in circumstances that may cause his or her status to change as an independent director of the Company. The Nominating Committee shall make a recommendation to the Board on the continued appropriateness of Board or committee membership under these circumstances.

**III. Board Leadership:**

1. **Chairman of the Board.** The Board of Directors shall annually elect the Chairman of the Board, who may or may not be the CEO of the Company. The Chairman shall preside over all meetings of stockholders and shall chair all meetings of the Board of Directors. In addition, the Chairman shall perform all duties which may be required by law and such other duties as specified by the Board.
2. **Lead Director.** If any time the Chairman of the Board is not an independent director, the Board shall appoint a Lead Director who must be independent. The Lead Director’s responsibilities shall include: (a) presiding at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors; (b) serving as liaison between the Chairman of the Board and the independent directors; (c) reviewing and approving materials to be sent to the Board at the request of management; (d) consulting with the Chairman of the Board on the meeting agendas for the Board; (e) approving meeting schedules to assure that there is sufficient time for discussion of all agenda items; (f) having the authority to call meetings of the independent directors; and (g) if requested by major stockholders, ensuring that he or she is available for consultation and direct communication. If the Chairman of the Board is an independent director, then the foregoing responsibilities will be handled by the Chairman of the Board.

#### **IV. Board Procedures and Practices:**

1. Director Attendance. Directors are expected to attend all annual meetings of stockholders, Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors are expected to review meeting materials prior to Board and committee meetings and, when possible, should communicate in advance of meetings any questions or concerns that they wish to discuss so that management will be prepared to address the same. Each Director's attendance at, and preparation for, Board meetings and meetings of committees on which they serve shall be considered by the Nominating Committee when recommending director nominees.
2. Board Meetings.
  - (a) Selection of Agenda Items. The Chairman of the Board of Directors in coordination with the CEO and the Corporate Secretary will draft the agenda for each meeting and distribute it to the Board in advance. The agenda is subject to review and approval of the Lead Director if the Chairman is not an independent director. Each Director may propose inclusion of items on the agenda, request a report or the presence of any member of the Company's management, or in any Board meeting raise subjects that are not on the agenda for that meeting.
  - (b) Executive Sessions of Independent Directors. At each quarterly Board meeting, the independent directors will meet in executive session without any management directors or employees present. Additional executive sessions may be held as needed. Executive sessions are called and chaired by the Chairman, or Lead Director (if the Chair is not an independent Director). These executive session discussions may include such topics as the independent directors determine.
  - (c) Distribution of Materials. The Company shall distribute written materials sufficiently in advance of meetings to permit a meaningful review by the directors.
  - (d) Number of Meetings. The Board shall hold a minimum of four meetings per year.
3. Director Compensation. The Compensation Committee is responsible for setting the form and amount of the compensation of the non-employee directors and board committee members. Any changes in non-employee director or board committee compensation will be recommended by the Compensation Committee and approved by the Board. The staff of the company or third-party advisors will report from time to time to the Compensation Committee on the status of Board compensation in relation to other companies and with regard to trends and developments in director compensation. It is the general policy of the Board that Board compensation should be a mix of cash and equity-based compensation. Employee directors will not be paid for Board membership in addition to their regular employee compensation. Independent directors may not receive consulting, advisory or other compensatory fees from the company in addition to their Board compensation. To the extent practicable, independent directors who are affiliated with the company's service providers will undertake to ensure that their compensation from such providers does not include amounts connected to payments by the company.
3. Director Orientation and Continuing Education. Each new Director, upon joining the Board, is provided with an orientation session regarding the Board and the Company's

operations. As part of this orientation, each new director shall have an opportunity to meet with members of senior management of the Company.

Directors also will be provided with continuing education on various subjects that will assist them in discharging their duties, which may include presentations by Company management or the Board's advisors on the Company's business, compliance efforts, applicable legal, regulatory or other developments or other matters as the Board, or the Nominating Committee in its oversight of the Board's continuing education program, may deem appropriate. The Company will also provide the directors with access to outside education programs pertaining to the directors' responsibilities, as appropriate.

4. Assessing Board Performance. The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating Committee will receive comments from all Directors as to the Board's performance and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board.
5. Access to Advisors. The Board and its committees may retain independent outside auditors and financial, legal or other advisors as it deems necessary. The Company will provide funding, as determined by the Board or any committee, to compensate those independent auditors or outside advisors, and to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties.
6. Access to Employees. Board members have complete access to the Company's management and employees to fulfill its duties. Board member contact with management, employees or advisors shall be handled in a manner that would not be disruptive to the business operation of the Company. Furthermore, the Board encourages management to bring executives into Board meetings who: (a) can provide additional expertise or insight into the matters being discussed and/or (b) are executives with future potential that the senior management believes should be given exposure to the Board.
7. Board Communication Policy. The Board believes that management should speak for the Company and that the Chairman 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 stockholders 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 Chairman of the Board or the Board. All responses to inquiries and public statements will be made in compliance with the Company's Public Disclosure Policy.
8. Audit Committee Oversight. 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. Such communications may be confidential or anonymous and may be submitted electronically, verbally, by phone or in writing to a member of the Audit Committee.
9. 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.

10. Code of Conduct and Ethics. The Company has adopted a Code of Conduct and Ethics 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 that Code and any other applicable policies and guidelines.
11. Compliance. Each Director will be expected to comply with the duties and responsibilities set forth herein and in the by-laws of the Company and with the fiduciary duties of care and loyalty applicable to directors of corporations organized in Delaware.

## **V. Board Committees**

1. Board Committees. The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating Committee. To the extent required by the Nasdaq, each of these Committees shall consist solely of independent directors, subject to applicable phase-in rules, regulations and other permitted exceptions.

Committee members will be appointed by the Board upon the recommendation of the Nominating Committee with consideration of the knowledge, interests and areas of expertise of individual directors or director nominees. The Board has adopted separate charters for each of its standing committees, each of which sets forth the applicable purposes, goals, responsibilities and authority of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters also provide that each committee will annually evaluate its own performance. A copy of each of the Committee Charters will be posted on the Company's website. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

2. Rotation of Committee Assignments and Chairs. Committee assignments and the designation of committee chairs should be based on the director's knowledge, interests and areas of expertise as well as the needs of the Company and the Board. The Board generally does not favor mandatory rotation of committee assignments or chairs because of its belief that experience and continuity are more important than rotation. Committee members and chairs may, however, be rotated in response to changes in membership of the Board but only if rotation is likely to increase committee performance.

## **VI. Executive Officer Evaluation, Compensation and Management Succession**

1. Executive Officer Evaluation and Compensation. The Compensation Committee shall review and makes recommendations to the Board with respect to the Company's compensation philosophy, policies and programs so as to support the Company's overall business strategy. On an annual basis, the Compensation Committee will review and approve corporate goals and objectives relevant to the compensation of the Company's CEO, evaluate CEO performance in light of those goals and objectives and determine and approve CEO compensation levels based on this evaluation. The Compensation Committee shall also oversee the compensation of other executive officers. The CEO shall not be present during voting or deliberations relating to his or her compensation.
2. Succession. The Nominating Committee shall oversee management development and succession planning for senior management, including the CEO position. In addition, the CEO shall prepare, on a continuing basis, a short-term succession plan which outlines temporary delegation of authority to certain officers of the Company if one or more



members of senior management, including the CEO, should unexpectedly become unable to perform his or her duties.

## **VII. Annual Review and Amendments**

These Corporate Governance Guidelines will be reviewed annually by the Nominating Committee and changes, if any, will be recommended to the Board for consideration.

Amendments to these Corporate Governance Guidelines will only be effective if approved by the Board.