

## **CLEVER LEAVES HOLDINGS INC.**

### **COMPENSATION COMMITTEE CHARTER**

This Compensation Committee Charter was reviewed and approved by the Board of Directors (the “Board”) of Clever Leaves Holdings Inc. (the “Company”) on December 9, 2020.

#### **I. Purpose and Responsibilities**

The Compensation Committee (the “Committee”) shall assist the Board in its oversight of compensation for the Company’s senior management, compensation for the Board, evaluation and succession planning for the Chief Executive Officer (the “CEO”), human capital management and related matters. The Committee shall have the responsibility to:

1. Develop, approve and report to the Board regarding the Company’s overall compensation philosophy and strategy.
2. Establish corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives, and determine and approve the CEO’s compensation level based on this evaluation.
3. Review and approve the compensation structure for the other executive officers and review and approve the CEO’s recommendations with respect to executive officer compensation.
4. Oversee CEO and executive succession planning and development.
5. Oversee the Company’s incentive-based and equity-based compensation plans.
6. Make recommendations to the Board with respect to director compensation.
7. Oversee the Company’s human capital management policies, programs and initiatives.
8. Fulfill any other responsibilities set forth in this Charter and any additional duties that the Board may assign to the Committee from time to time.

#### **II. Organization**

##### ***Committee Members***

The Committee shall be comprised of two or more members of the Board, each of whom has been determined by the Board to be “independent” in accordance with:

1. The provisions of Rule 10C-1(b)(1) under Securities Exchange Act of 1934, as amended (the “Exchange Act”), and
2. The Nasdaq rules. Each member of the Committee or any subcommittee must qualify as a “non-employee director” for the purposes of Rule 16b-3 under the Exchange Act.

The members and Chair of the Committee shall be appointed annually by the Board based on recommendations from the Nominating and Governance Committee of the Board and may be re-appointed or replaced at the Board's sole discretion at any time. Vacancies shall be filled by the Board. The Committee may form one or more subcommittees, each of which may take such actions as may be delegated by the Committee.

### ***Committee Meetings***

All meetings of the Committee shall be held at the call of the Chair of the Committee. The Chair of the Committee shall be responsible for developing the meeting agenda, ensuring that pre-reading materials are provided to Committee members relative to agenda items and chairing the meetings.

The Committee shall meet at such times and from time-to-time as it deems appropriate, but at least twice a year. Meetings may be held in person, by conference call or otherwise electronically held. A majority of the Committee members must be in attendance for a quorum. The Committee may act only upon the approval of at least a majority of its members. The Committee may also act by unanimous written consent. The Committee shall make regular reports to the Board on the Committee's activities and shall keep a separate book of minutes of the Committee's proceedings and actions.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet at least annually without such members present, and in all cases the CEO and any other such officers shall not be present during the portions of meetings at which their individual compensation or performance is discussed or determined.

### ***Professional Advisers***

The Committee may, in its sole discretion, retain or obtain the advice of, and terminate, compensation consultants, independent legal counsel, an executive search firm or accounting or other professional advisers or consultants to provide advice to the Committee it believes necessary or appropriate in discharging its responsibilities. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel, an executive search firm or other adviser or consultant retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel, an executive search firm or any other adviser or consultant retained by the Committee and for ordinary and administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall not be required, however, to implement or act consistently with any advice or recommendations of its compensation consultant, independent legal counsel, an executive search firm or other adviser to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

In retaining or seeking advice from compensation consultants, independent legal counsel, an executive search firm, or accounting or other professional advisers or consultants (other than the

Company's in-house counsel), the Committee shall take into consideration the factors specified in applicable Nasdaq Listing Rules.

The Committee may retain, or receive advice from, any compensation consultant, independent legal counsel, an executive search firm or accounting or other professional adviser or consultant the Committee elects to retain, including ones that are not independent, after considering the specified factors. The Committee is not required to assess the independence of any compensation consultant, independent legal counsel, an executive search firm or accounting or other professional adviser or consultant that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or adviser, and about which the consultant or adviser does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K promulgated by the SEC, which evaluation shall include the same factors identified in the immediately preceding paragraph.

The Committee may consult with Company management on compensation issues, including a consideration of data and other material presented by Company management with respect to executive compensation and any other information requested by the Committee.

### **III. Responsibilities**

#### ***Executive Compensation Philosophy and Programs***

In consultation with the Board, the CEO and senior management, the Committee shall develop and approve the Company's executive compensation philosophy and strategy, including the balance between or mix of base salaries, cash and equity-based incentive compensation and other compensation components for the CEO, other executive officers and the Board. In so doing, the Committee shall establish and regularly review and update:

1. An appropriate peer group of companies for the purposes of comparing compensation levels and practices; and
2. Key measures that the Committee will use in assessing performance for the purposes of incentive compensation awards to the CEO and other members of the senior management team to link compensation with the achievement of the Company's business objectives and align the interests of key executives with the goal of long-term shareholder value creation.

#### ***Evaluation and Compensation of the CEO***

At the start of each year, based upon the operating budget, capital expenditure budget and the long-term strategic plan being approved by the Board, the Committee shall determine, review and approve corporate goals and objectives relating to the compensation of the CEO, consistent with the terms of any existing contracts between the CEO and the Company. At the end of the

year, the Committee shall evaluate the performance of the CEO in light of the agreed goals and objectives and shall set the compensation level for the CEO based upon this evaluation, including any adjustments to the CEO's base salary, incentive compensation, and any other components of the CEO's compensation. In evaluating and determining CEO compensation, the Committee shall consider the results of the most recent shareholder advisory vote on executive compensation ("Say on Pay Vote") required by Section 14A of the Exchange Act. In determining the long-term incentive component of the CEO's compensation, the Committee shall consider, in addition to any other items it determines relevant or appropriate, the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given to the Company's CEO in past years.

The Committee shall also negotiate and approve all formal employment or other contracts with the CEO, including any severance arrangements or plans, together with any benefits to be provided in connection with a change in control.

#### ***Compensation of Other Executive Officers***

The Committee shall approve corporate goals and objectives relating to the compensation of executive officers other than the CEO, review the CEO's evaluation of the performance of those executive officers in light of these goals and objectives, review the CEO's recommendations on salary levels, incentive awards, and other compensation for those executive officers and consider the results of the most recent Say on Pay Vote. Having done so, the Committee shall approve the compensation of those executive officers.

The Committee shall also review and approve all formal employment agreements or other contracts with executive officers of the Company negotiated by the CEO (including any severance arrangements or plans, together with any benefits to be provided in connection with a change in control), or any other arrangements for which authority has not been delegated to management.

#### ***Incentive and Equity-Based Compensation Programs***

The Committee shall approve, and determine whether to amend or terminate, the Company's cash-based incentive plans for executive officers, including the performance measures to be applied in determining incentive awards. The Committee shall also review and make recommendations with respect to the adoption or modification of any equity-based plans for Company employees (including an amendment to increase the number of authorized shares of Company stock available for awards under any such plan) for approval by the Board and Company shareholders, unless reserved by the Board through plan provisions or applicable rules and regulations. Unless the Board specifically provides otherwise, the Committee shall also oversee the administration of these plans to ensure consistency with the Committee's compensation philosophy and policies with respect to plan participation. In evaluating any incentive and equity-based compensation programs, the Committee shall consider the results of the most recent Say on Pay Vote.

#### ***Retirement Programs and Other Benefits***

The Committee shall review and make recommendations to the Board for approval with respect to the types and structures of employee retirement plans for the CEO, executive officers and other employees. The Committee shall also establish and periodically review Company policies with respect to perquisites and other non-cash benefits for executive officers.

### ***Other Compensation Programs***

The Committee shall periodically review the operation of the Company's broad-based programs and overall compensation programs for key employees and consider their effectiveness in promoting key Company objectives and shareholder value.

### ***Report on Executive Compensation and Other Regulatory Compliance Matters***

The Committee shall be responsible for the production of the annual compensation committee report on executive compensation included in either the Company's annual proxy statement or annual report in accordance with applicable SEC rules and regulations.

The Committee shall also produce all other reports on executive compensation required on behalf of the Committee or the Board, review and recommend inclusion of all other compensation discussion and analysis and related executive compensation information disclosure materials that are included in the Company's public filings, and generally oversee compliance with the compensation reporting requirements of the SEC.

The Committee shall annually review and discuss with the Company's management the Compensation Disclosure and Analysis ("CD&A") to be included in the Company's annual proxy statement and determine whether to recommend to the Board that the CD&A be included in the proxy statement.

In consultation with senior management, the Committee shall oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility or in certain circumstances, to not preserve tax deductibility at the Committee's full discretion.

The Committee shall review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, shall review and discuss at least annually the relationship between risk management policies and practices and compensation and evaluate compensation policies and practices that could mitigate any such risk.

The Committee shall review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent shareholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement in accordance with applicable SEC regulations.

### ***CEO Succession Planning***

The Committee shall work with the CEO to develop succession plans for the Chief Executive Officer for an emergency situation and over the longer term. The Committee, in conjunction with the CEO, shall update the entire Board with respect to executive development and succession planning initiatives and shall recommend to the Board individuals qualified to become Chief Executive Officer of the Company.

### ***Director Compensation***

The Committee shall recommend to the Board for its approval the amount and form of compensation to be paid to Company non-employee directors. In making its recommendations, the 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 Committee shall review its directors' compensation practices and levels annually.

### ***Human Capital Management***

The Committee shall periodically review the Company's human capital management policies, programs and initiatives, including policies, programs and initiatives focusing on the Company's culture, talent development, retention and diversity and inclusion.

### ***Risk Management***

The Committee shall periodically review the Company's compensation policies and practices as they relate to risk management practices and/or incentives that enhance risk-taking in order to assess whether such policies and practices create risks that are reasonably likely to have a material adverse effect on the Company. In connection with such review, the Committee may, as it considers appropriate, consult with, or receive a report from, the Company's management concerning compensation practices and policies for the Company's non-executive officers.

### ***Committee Self-Assessment***

The Committee is responsible for developing and conducting an annual self-assessment of its performance. The Committee will work with the Nominating and Governance Committee to design and coordinate the annual self-assessment in conjunction with the overall Board assessment process. The Committee shall report to the Board on the results of its assessment each year and shall make any appropriate recommendations to further enhance the Committee's performance.

### ***Other Matters***

The Committee shall also fulfill any other responsibilities that may be assigned to the Committee by the Board from time to time.

### ***Charter Modifications/Updating***

The Committee shall review this Charter at least annually and may recommend to the Board from time to time any proposed changes to the Charter and to any other documents related to the responsibilities of the Committee.