



XL FLEET CORP.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board”) of XL Fleet Corp. (the “Company”), which is elected by the stockholders, is the ultimate decision making body of the Company, except with respect to matters reserved to the stockholders. The Board has adopted the following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of the Company and its stockholders. The Guidelines should be applied in a manner consistent with all applicable laws and stock exchange rules and the Company’s charter and bylaws, each as amended and in effect from time to time. The Guidelines are generally intended to serve as a flexible framework for the conduct of the Board’s business and not as a set of legally binding obligations; consequently, the Board may exercise its judgment in conducting its business and shall not be bound by these Guidelines, other than with respect to matters that are required by applicable law or regulation. In addition, the Board may modify or make exceptions to the Guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its stockholders.

A. Board Composition

The composition of the Board should balance the following goals:

- The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully;
- The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Company’s business; and
- A majority of the Board shall consist of directors who the Board has determined have no material relationship with the Company and who are otherwise “independent” under applicable listing requirements.

B. Director Responsibilities

The principal responsibility of the directors is to oversee the management of the Company and, in so doing, to exercise their business judgment to act in a manner which they reasonably believe to be in the best interests of the Company and its stockholders. This responsibility includes:

- Evaluating the performance of the Company and reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.

- Selecting and evaluating the performance of the Chief Executive Officer (“CEO”) and developing policies and principles for CEO selection and performance review, as well as policies regarding CEO succession.
- Reviewing the Company’s policies and practices with respect to risk assessment and risk management.
- Providing advice and assistance to the CEO and other senior executives of the Company.
- Evaluating the overall effectiveness of the Board and its committees.
- Establishing the form and amount of compensation for Directors.

Directors are expected (i) to regularly attend all meetings of the Board and all meetings of committees on which they serve and (ii) to prepare for all meetings and to review the materials that are sent out in advance of those meetings. Directors are also expected to spend the necessary time to discharge their responsibilities appropriately and to ensure that other existing or future commitments do not materially interfere with their responsibilities as members of the Board.

C. Director Qualification Standards

1. Selection of New Director Candidates. Except where the Company is legally required by contract, bylaw or otherwise to provide third parties with the ability to nominate directors, the Nominating and Corporate Governance Committee shall be responsible for (i) identifying individuals qualified to become Board members, consistent with criteria approved by the Board, and (ii) recommending to the Board the persons to be nominated for election as directors at any meeting of stockholders and the persons to be elected by the Board to fill any vacancies on the Board. Director nominees shall be considered for recommendation by the Nominating and Corporate Governance Committee in accordance with the policies and principles set forth in its charter. It is expected that the Nominating and Corporate Governance Committee will have direct input from the Chairman of the Board and the CEO
2. General Criteria. The following criteria shall be considered when identifying new director candidates keeping in mind the goal of appointing members to the Board with diverse backgrounds, skills and experience, who have appropriate financial and other expertise relevant to the Company’s business:
 - Whether the candidate is independent pursuant to the requirements of the New York Stock Exchange.
 - Whether the candidate is accomplished in his or her field and has a reputation, both personal and professional, that is consistent with the image and reputation of the Company.

- Whether the candidate has the ability to read and understand basic financial statements. The Nominating and Corporate Governance Committee also will determine if a candidate satisfies the criteria for being an “audit committee financial expert,” as defined by the Securities and Exchange Commission.
 - Whether the candidate has relevant education, experience and expertise and would be able to provide insights and practical wisdom based upon that education, experience and expertise.
 - Whether the candidate has knowledge of the Company and issues affecting the Company.
 - Whether the candidate is committed to enhancing shareholder value.
 - Whether the candidate fully understands, or has the capacity to fully understand, the legal responsibilities of a director and the governance processes of a public company.
 - Whether the candidate is of high moral and ethical character and would be willing to apply sound, objective and independent business judgment, and to assume broad fiduciary responsibility.
 - Whether the candidate has, and would be willing to commit, the required hours necessary to discharge the duties of Board membership.
 - Whether the candidate has any prohibitive interlocking relationships or conflicts of interest.
 - Whether the candidate is able to develop a good working relationship with other Board members and contribute to the Board’s working relationship with the senior management of the Company.
 - Whether the candidate is able to suggest business opportunities to the Company.
3. Independence. There shall always be at least a majority of directors that meet the independence requirements of applicable law and the listing standards of any stock exchange on which the Company’s securities are then listed.
4. Other Directorships. A director shall limit the number of other public company boards on which he or she serves to not more than five (5) so that he or she is able to devote adequate time to his or her duties to the Company, including preparing for and attending meetings. Directors shall notify the Chairman of the Board, the Chairman of the Nominating and Corporate Governance Committee or the CEO in advance of accepting an invitation to serve on any public company board. Service on boards and/or committees of other organizations shall comply with the Company’s conflict of interest policies.

5. Other Compensation. A director shall notify the Chairman of the Board, the Chairman of the Nominating and Corporate Governance Committee or the CEO if they receive any compensation, whether in cash, securities or otherwise, from third parties other than from the Company in consideration for his or her service on the Board or any committees thereof.
6. Change in Status. A director who has a substantial change in his or her principal occupation or business association (excluding his or her service as a director of the Company) shall (i) notify the Chairman of the Board, the Chairman of the Nominating and Corporate Governance Committee or the CEO of such change and (ii) tender their resignation from the Board so that the Board can consider whether to accept the resignation. It is the sense of the Board that directors should not necessarily leave the Board upon a change in principal occupation or business association; however, the Board should have the opportunity to consider the change in evaluating the appropriate mix of skills and experience necessary for the Board to perform its oversight function effectively.
7. Tenure. The Board does not believe it should establish term limits. As an alternative to term limits, the Nominating and Corporate Governance Committee shall review each director's continuation on the Board at least once every three years. This will allow each director the opportunity to confirm his or her desire to continue as a member of the Board and allow the Company to replace directors who are no longer interested or effective.
8. Retirement. The Board has not established a mandatory retirement policy. However, the Nominating and Corporate Governance Committee shall not recommend a nominee for election or reelection to the Board if he or she will be 72 years of age or older as of the date of such election or reelection, unless the Board approves such recommendation as an exception to this policy.

D. Director Access to Management and Independent Advisors

1. Access to Officers and Employees. Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Secretary or directly by the director. The directors shall use their judgment and all reasonable effort to ensure that any such contact is not disruptive to the business operations of the Company and shall, to the extent appropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.
2. Access to Independent Advisors. The Board and each committee have the power to hire and consult with independent legal, financial or other advisors for the benefit of the Board or such committee, as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. In the discretion of the Board or applicable committee, such independent advisors may (but need not) be the regular advisors to the Company. The Board or any such committee is empowered, without further action by the Company, to cause the Company to pay

the compensation of such advisors as established by the Board or any such committee.

E. Director Compensation

1. Role of Board and Nominating and Corporate Governance Committee in Determining Director Compensation. The form and amount of director compensation shall be determined by the Board, upon recommendation of the Nominating and Corporate Governance Committee, in accordance with the policies and principles set forth below and as set forth in the Company's Non-Employee Director Compensation Policy, as amended from time to time. The Nominating and Corporate Governance Committee shall conduct a periodic review of the compensation of the Company's directors. The Nominating and Corporate Governance Committee shall consider that questions as to directors' independence may be raised if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts or business arrangements with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.
2. Form of Compensation. The Board believes that directors should be incentivized to focus on long-term stockholder value. Including equity as part of director compensation helps align the interest of directors with those of the Company's stockholders.
3. Amount of Consideration. The Company seeks to attract exceptional talent to its Board. Therefore, the Company's policy is to compensate directors competitively relative to comparable companies.
4. Director Stock Ownership. The Board believes that each director should acquire and hold shares of Company common stock in an amount that is meaningful and appropriate to such director.
5. Employee Directors. Directors who are also employees of the Company shall receive no additional compensation for Board or committee service.

F. Director Orientation and Continuing Education

The Board and the Company's management shall conduct a mandatory orientation program for new directors. The orientation program will be intended to address the Company's strategic plans, significant risk exposures, compliance programs (including its Code of Business Conduct and Ethics) and may include presentations by the Company's executive management, internal auditors and independent auditors, as well as one or more visits to the Company's headquarters or other operating sites or facilities. In addition, each director shall be encouraged to be involved in continuing director education on an ongoing basis to enable him or her to better perform his or her duties and to recognize and deal appropriately

with issues that arise. The Company shall pay all reasonable expenses related to continuing director education.

G. Committees of the Board

The Company shall have at least the committees required by applicable listing requirements. Currently, these are the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each of these three committees should have a written charter satisfying applicable listing requirements. The Audit Committee must also satisfy the requirements of SEC Rule 10A-3.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give a periodic report of his or her committee's activities to the Board.

Each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be composed of directors who are not officers or employees of the Company, who the Board has determined have no material relationship with the Company and who are otherwise "independent" under applicable listing requirements, and, in the case of the Audit Committee, who satisfy the additional eligibility requirements of SEC Rule 10A-3, subject in each case to any exceptions set forth in the applicable listing requirements. The Audit Committee and the Compensation Committee shall have at least three members subject to any applicable phase-in exceptions. The required qualifications for the members of each committee shall be set out in the respective committees' charters. A director may serve on more than one committee for which he or she qualifies.

H. CEO Selection, Evaluation and Succession

1. Selection and Evaluation of CEO. The Board selects the Company's CEO in the manner that it determines to be in the best interests of the Company's stockholders. The Compensation Committee shall be responsible for overseeing the evaluation of the CEO in accordance with its charter. The Board shall develop policies and principles for CEO selection and performance review.
2. Management Succession. The Compensation Committee shall, at the request of the Board, be responsible for periodically reviewing and making recommendations to the Board relating to policies and principles for CEO selection and performance review, as well as policies regarding succession in the event of an emergency or the retirement of the CEO.

I. Expectations for Directors

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with the laws of the State of Delaware. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best

interests of the Company. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. Commitment and Attendance. All independent and management directors should make every effort to attend meetings of the Board and meetings of committees of which they are members. Members may attend by telephone to mitigate conflicts.
2. Participation in Meetings. Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.
3. Contact with Management. All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.
4. Confidentiality. The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

J. Annual Performance Evaluation of the Board

The Nominating and Corporate Governance Committee shall oversee an annual self-evaluation of the Board to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee shall determine the nature of the evaluation, supervise the conduct of the evaluation and prepare an assessment of the Board's performance, to be discussed with the Board. The purpose of this process is to improve the effectiveness of the Board and its committees and not to target individual Board members.

K. Periodic Review of the Corporate Governance Guidelines

The Nominating and Corporate Governance Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board for approval.

Effective as of December 21, 2020.