



PALISADE BIO, INC.

CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “**Board**”) of Palisade Bio, Inc. (the “**Company**”) has established the following guidelines, which are designed to give directors and management a flexible framework for effectively pursuing the Company’s objectives for the benefit of its stockholders. These guidelines should be interpreted in the context of all applicable laws, the Company’s governing documents, the charters of each committee of the Board and the Company’s other policies.

I. BOARD COMPOSITION AND SELECTION

Size of the Board

The Board will establish the number of directors in accordance with the Company’s certificate of incorporation and bylaws. The Governance and Nominating Committee of the Board (the “**Governance and Nominating Committee**”) is primarily responsible for monitoring the size of the Board, which may vary to accommodate the availability of suitable candidates and the Company’s needs.

Independence of Directors

A majority of the Board must be comprised of independent directors, in accordance with applicable listing rules of The Nasdaq Stock Market LLC (“**Nasdaq**”). In determining independence, the Board will consider the definition of independence in the Nasdaq listing rules as well as other factors expected to contribute to effective oversight and decision-making.

When required by the rules of the Securities and Exchange Commission (the “**SEC**”) or Nasdaq listing rules, and based on information provided by Board members and advice of counsel, the Board or the Governance and Nominating Committee will make affirmative determinations of director independence. Directors may be asked from time to time to recuse themselves or leave a Board meeting when the Board is considering a transaction in which the director (or another organization with which the director is affiliated) has a financial or other interest. The Audit Committee of the Board (the “**Audit Committee**”) shall review and approve any proposed related party transactions in compliance with the Company’s policies and SEC and Nasdaq rules.

Employee Directors

The Company’s Chief Executive Officer will serve on the Board. The Board may also appoint to the Board other executive officers of the Company who can assist the Board in fulfilling its responsibilities based on their experience and role at the Company.

Board Leadership

The Board will select its chairperson in the manner that it determines to be in the best interests of the Company’s stockholders. The Board believes that separation of the positions of chairperson and Chief Executive Officer reinforces the independence of the Board in its oversight of the Company’s business and affairs, and can enhance the effectiveness of the Board as a whole. In addition, the Board believes that having a separate chairperson creates an environment that is more conducive to objective evaluation and oversight of management’s performance, increasing management accountability and improving the ability



of the Board to monitor whether management's actions are in the best interests of the Company and its stockholders.

In the event that the Board elects a chairperson who is not independent, the Board may designate a lead independent director. The lead independent director's duties shall include: (i) presiding at all meetings of the Board at which the chairperson is not present, including executive sessions of the independent directors; (ii) acting as liaison between the independent directors and the Chief Executive Officer and chairperson; (iii) presiding over meetings of the independent directors; (iv) consulting with the chairperson in planning and setting schedules and agendas for Board meetings; and (v) performing such other functions as the Board may delegate.

Selection of Directors

In connection with annual meetings of stockholders, the Governance and Nominating Committee is responsible for identifying, reviewing, evaluating and recommending candidates to serve on the Board, and the Board is responsible for nominating such candidates for election by the stockholders. Between annual meetings of stockholders, the Board is responsible for filling any vacancies on the Board.

Stockholder Recommendations of Director Nominees

The Governance and Nominating Committee will consider director candidates recommended by the Company's stockholders. The Governance and Nominating Committee should not alter the manner in which it evaluates a candidate for nomination to the Board based on whether or not the candidate was recommended by a Company stockholder.

For nominations of potential candidates made other than by the Board, the stockholder or other person making such nomination must comply with the Company's bylaws, including without limitation, submission of the information or other materials required with respect to proposed nominees. Subject to the Governance and Nominating Committee's discretion and authority pursuant to its charter, potential candidates must provide a list of references and agree (i) to be interviewed by members of the Governance and Nominating Committee or other directors in the discretion of the Governance and Nominating Committee, and (ii) to a background check or other review of such candidate's qualifications to serve on the Board. Prior to nomination of any potential candidate by the Board, each member of the Board must be given an opportunity to meet with the candidate (either in person or virtually). Upon request, any candidate nominated will agree in writing to comply with these Corporate Governance Guidelines and all other policies and procedures of the Company applicable to the Board.

Board Membership Criteria

The Board will determine the appropriate characteristics, skills and experience for the Board as a whole and for its individual members and consider any recommendations from the Governance and Nominating Committee regarding the forgoing. The Board will consider the minimum general criteria below, and may add any specific additional criteria with respect to specific searches, in selecting candidates and existing directors for serving on the Board. An acceptable candidate may not fully satisfy all of the criteria, but is expected to satisfy nearly all of them. The Board believes that candidates for director should have certain minimum qualifications, including the highest personal integrity and ethics, the ability to read and understand basic financial statements, understand the industry of the Company and being older than 21.

In considering candidates, the Board will consider the following minimum general criteria: (i) possessing relevant expertise upon which to be able to offer advice and guidance to management; (ii) having sufficient



time to devote to the affairs of the Company; (iii) demonstrating excellence in such candidate's field; (iv) having the ability to exercise sound business judgment; (v) experience as a board member or executive officer of another publicly held company; (vi) having a diverse personal background, perspective and experience; and (vii) having the commitment to rigorously represent the long-term interests of the Company's stockholders.

The Board will review candidates for director nomination in the context of the current composition of the Board, the Company's operating requirements and the long-term interests of the Company's stockholders. In conducting this assessment, the Board will consider such factors as it deems appropriate to maintain a balance of knowledge, experience and capability on the Board. For incumbent directors, the Board will review such directors' overall service to the Company during their term, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair such directors' independence. In the case of new director candidates, the Board will also whether the nominee must be independent for purposes of the Nasdaq listing rules.

Diversity

The Board believes in diversity and values its benefits. Diversity includes, among other things, gender, sexual preference, disability, age, ethnicity, business experience, functional expertise, stakeholder expectations, culture and geography. Board diversity promotes the inclusion of different perspectives and ideas, and ensures that the Company has the opportunity to benefit from all available talent.

The Governance and Nominating Committee, in accordance with its charter, will annually assess the diversity of the Board in light of the needs of the Board, and the Board will review the Governance and Nominating Committee's assessment, including the extent to which the current composition of the Board reflects a diverse mix of skills, experience, knowledge, backgrounds and personal qualities.

The Board is committed to a merit-based system for Board composition, which requires a diverse and inclusive culture where directors believe that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination and harassment on any matter are not tolerated. When identifying suitable candidates for appointment to the Board, the Governance and Nominating Committee and the Board will consider candidates on merit against objective criteria having due regard to the benefits of diversity (including gender and race) and the needs of the Board. Any search firm engaged to assist the Board or the Governance and Nominating Committee in identifying candidates for appointment to the Board shall be directed to include diverse candidates and diverse candidates will be included in the Board's evergreen list of potential Board nominees.

Changes in Board Membership Criteria

The Board wishes to maintain membership comprised of individuals who can productively contribute to the success of the Company. From time to time, the Board, in its discretion, may change the criteria for Board membership. When this occurs, the Board will evaluate existing members according to the new criteria. The Board may ask a director who no longer meets the complete criteria for board membership to adjust such director's committee assignments or resign from the Board.

Term Limits

The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time can provide continuity and valuable insight into the Company's operations and prospects due to their experience with and



understanding of the Company's history, policies and objectives. As an alternative to term limits, the Board believes that it can ensure that it continues to evolve and adopt new ideas and viewpoints through the director evaluation process established in these guidelines.

Limits on Board Memberships

Directors should advise the chairperson of the Governance and Nominating Committee before accepting an invitation to serve on the board of directors or committee of another company. A director's ability to fulfill such director's responsibilities as a member of the Board can be impaired by service on multiple other boards or board committees. Service on boards and board committees of other companies should be consistent with the Company's conflict-of-interest policies. Non-employee directors should generally serve on no more than five other public company boards and on no more than three other public company audit committees, unless otherwise approved by the Board. In addition, non-employee directors who are serving as executive officers of other public companies should generally serve on no more than two other public company boards, unless otherwise approved by the Board. *Notwithstanding the foregoing*, any existing service on boards or board committees by non-employee directors in excess of the limits set forth above as of the effective date of these guidelines shall be permitted.

Retirement Age

The Board believes that it is inappropriate to have a retirement age for directors.

Directors Who Change Their Job Responsibility

A director who experiences a material change in job responsibilities (other than an ordinary course promotion), including retirement, should notify the Governance and Nominating Committee. While the Board does not believe any director's material change in job responsibilities should require resignation from the Board, the Governance and Nominating Committee should have the opportunity to review.

II. ROLE OF THE BOARD OF DIRECTORS

The Company elects directors to provide oversight of and strategic guidance to senior management. A director's must fulfill the fiduciary duties of care and loyalty, and otherwise exercise business judgment in the best interests of the Company and its stockholders. Board service requires significant time and attention. More specifically, the Board is responsible for (i) reviewing, approving and monitoring fundamental financial and business strategies and significant corporate actions, (ii) assessing the Company's major risks and consider ways to address those risks, select and oversee management and (iii) establishing and overseeing processes to maintain the Company's integrity. To fulfill their duties, directors must prepare for meetings and discussions with management, participate in Board meetings, review relevant materials, and serve on committees. The Company expects directors to maintain an attitude of constructive involvement and oversight, ask relevant and incisive questions, and demand honest and accurate answers. Directors must act with integrity and demonstrate a commitment to the Company, the Company's values, business, and long-term stockholder value.

III. DIRECTOR ORIENTATION AND EDUCATION

The Governance and Nominating Committee may implement an orientation process for directors that includes background material on the Company's policies and procedures, meetings with senior management and visits to the Company's facilities. The Company may also offer continuing education programs to assist the directors in maintaining the level of expertise necessary to perform their duties.



Directors are encouraged to be involved in continuing director education on an ongoing basis to enable them to better perform their duties and to recognize and appropriately address issues that arise. Directors are encouraged to attend seminars, conferences and other continuing education programs designed especially for directors of public companies, including but not limited to, accredited director education programs.

IV. DIRECTOR COMPENSATION

The Compensation Committee of the Board (the “*Compensation Committee*”) is responsible for reviewing and determining the type and amount of compensation to be paid or awarded to non-employee directors, and will consider applicable legal and regulatory guidelines. In addition, the Governance and Nominating Committee will assist the members of the Compensation Committee, as requested, in determining the foregoing. Compensation for non-employee directors and committee members should be designed to be aligned with the long-term interests of the stockholders and consistent with market practices of similarly situated companies. In determining compensation, the Board and its committees will consider the impact on the director’s independence and objectivity.

V. BOARD MEETINGS

Number of Meetings

The Board expects to have at least four regular Board meetings each year.

Attendance and Preparation

The Board expects its members to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of committees on which they serve, including advance review of meeting materials that may be circulated prior to each meeting. Directors should notify the chairperson of the Board or their committee when they will be absent from a Board or committee meeting, as applicable. Directors are also encouraged to attend the Company’s annual meeting of stockholders. The Company will provide directors with appropriate materials before each meeting, except in unusual or exigent circumstances.

Agenda

The chairperson or lead independent director, together with the Chief Executive Officer, will create an agenda for each Board meeting. Each Board member is encouraged to suggest topics for the agenda at any time and each Board member is encouraged, as appropriate, to raise topics during meetings that are not on the agenda.

Executive Session

The independent directors of the Board will meet periodically in executive session but no less than two times per year or such greater number as required by Nasdaq. Executive session discussions may include any topics decided by the attendees. The directors generally shall not take formal action at these sessions, but may make recommendations for consideration by the full Board. The chairperson of the Board or, if the such chairperson is also the Company’s Chief Executive Officer, the lead independent director, will preside over the executive sessions and serve as the liaison between the independent directors and the other members of the Board.

Committee Reports

At each regular Board meeting, if requested by the Board, each committee chairperson will present a brief summary of the principal topics discussed, any conclusions reached and any actions taken at recent committee meetings. Minutes of committee meetings will be made available to any director.

VI. BOARD COMMITTEES

Number of Committees; Independence of Members

The Board will constitute and maintain the Audit Committee, Compensation Committee and Governance and Nominating Committee. Only independent directors may serve on such committees unless otherwise permitted by applicable SEC or Exchange rules. The Board may form, merge or dissolve such other committees as it deems appropriate.

Committee Functions and Charters

Each of the Audit Committee, Compensation Committee and Governance and Nominating Committee will operate pursuant to a written charter setting forth such committee's responsibilities. If directed by the Board, any other committee formed by the Board will develop a written charter delineating its responsibilities for approval by the Board. Each committee will periodically review its charter and recommend any proposed changes to the Board.

Board Committee Membership

The Governance and Nominating Committee is responsible for evaluating the performance of the members of the committees of the Board, reviewing the composition of such committees and recommending to the Board annually the chairperson and membership of each such committee. In furtherance of the foregoing, the Governance and Nominating Committee will consider the interests, independence and experience of the individual directors and the independence and experience requirements of Nasdaq, the rules and regulations of the SEC, and applicable law.

Committee Meetings and Agenda

Each committee chairperson, in consultation with that committee's members, will determine the processes, frequency, length and agenda for each committee meeting and the appropriate attendees in light of that committee's charter, the authority delegated by the Board to that committee, and the legal, regulatory, accounting and governance principles applicable to that committee's functions.

VII. BOARD ACCESS TO MANAGEMENT; USE OF OUTSIDE ADVISORS

Board members will have access to Company management, subject to such processes as deemed appropriate by the Governance and Nominating Committee. Board members are expected to use their judgment to ensure that this contact is not distracting to the Company's operations or to management's duties and responsibilities. Board members should copy the Chief Executive Officer on written communications to management whenever appropriate.

The Board and each committee will have the power to hire, at the expense of the Company, independent legal, financial, or other advisors that they may deem necessary, without consulting or obtaining the advanced approval of the Company.

VIII. CHIEF EXECUTIVE OFFICER EVALUATION

The Board will annually review the Chief Executive Officer's performance. The Board will evaluate performance based on objective criteria, including how well the business achieves long-term strategic objectives and successfully develops management. The Compensation Committee and Board will use this evaluation when considering the compensation of the Chief Executive Officer.

IX. BOARD ASSESSMENT

The Governance and Nominating Committee will oversee an annual assessment of the performance of the Board, including Board committees, seeking input from senior management, the full Board and others in accordance with the criteria established in its charter. The Governance and Nominating Committee will review and discuss the results of these evaluations with the full Board for further discussion as appropriate.

X. OTHER BOARD RESPONSIBILITIES

Board members will comply with the laws and requirements of the SEC, Nasdaq and other applicable regulatory agencies and with all policies and guidelines of the Company, including without limitation, the Company's Code of Business Conduct and Ethics.

Each director is expected to disclose promptly to the Board and respond promptly and accurately to periodic questionnaires or other inquiries from the Company regarding any existing or proposed relationships with the Company, including compensation and stock ownership, which could affect the independence of such director. Each director will also promptly inform the Board of any material change in such information, to the extent not already known by the Board.

Directors have an obligation to protect and keep confidential all of the Company's non-public information unless the Company has authorized public disclosure or unless otherwise required by applicable law. Confidential information includes all non-public information entrusted to or obtained by a director by reason of membership on the Board. This includes information regarding the Company's strategy, business, finances and operations, and will include minutes, reports, and materials of the Board and committees, and other documents identified as confidential by the Company. The obligations described above will continue even after service on the Board has ended.

Directors may not use such confidential information for personal benefit or to benefit other persons or entities other than the Company. Unless authorized by the Company or applicable law, directors will refrain from disclosing confidential information to anyone outside the Company, especially anyone affiliated with any entity or person that employs the director or has sponsored the director's election to the Board. These obligations continue even after service on the Board has ended. Any questions or concerns about potential disclosures should be directed to the Company's General Counsel, who then may communicate with the Chief Executive Officer or the Audit Committee regarding the potential disclosures.

XI. REVIEW OF GOVERNANCE GUIDELINES

The Governance and Nominating Committee will periodically review and assess the adequacy of these guidelines and recommend any proposed changes to the Board for approval.

Effective Date: May 13, 2021 (Date adopted by the Board of Directors)