

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 29, 2021

ROOT, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39658
(Commission
File Number)

84-2717903
(IRS Employer
Identification No.)

80 E. Rich Street, Suite 500
Columbus, Ohio 43215
(Address of principal executive offices and zip code)

(866) 980-9431
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value	ROOT	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Introductory Note

Following expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvement Act, on October 1, 2021, Root, Inc. (the “Company”) closed the previously disclosed convertible preferred equity investment by Carvana Group, LLC (“Carvana”) pursuant to the Investment Agreement, dated as of August 11, 2021, by and between the Company and Carvana (the “Investment Agreement” and such closing, the “Closing”). The Company received approximately \$126 million of proceeds from the issuance of convertible preferred stock designated as the Series A Convertible Preferred Stock, par value \$0.0001 per share (the “Preferred Stock”) and issued Carvana eight tranches of warrants (the “Warrants”) to purchase shares of the Company’s Class A common stock (the “Class A Common Stock”). In addition, the Company and Carvana entered into a five (5) year commercial agreement (the “Commercial Agreement”) described in more detail below.

Item 1.01 Entry into a Material Definitive Agreement

Certificate of Designations for Preferred Stock

The Company issued to Carvana 14,053,096 shares of Preferred Stock. The Preferred Stock is initially convertible into 14,053,096 shares of the Company’s common stock (including both the Company’s Class A and Class B common stock, taken together the “Common Stock”) based on an initial liquidation preference of \$9.00 per share plus any amount of accrued but unpaid dividends and an initial conversion price of \$9.00 per share. This amount of shares may vary based on the applicable conversion rate as further described below.

In connection with the issuance and sale of the Preferred Stock, the Company filed a Certificate of Designations with the Secretary of State of the State of Delaware (the “Certificate of Designations”). The following summary of the material terms of the Certificate of Designations does not purport to be complete and is qualified in its entirety by reference to the full text of the Certificate of Designations, which is attached hereto as Exhibit 3.1.

The material terms of the rights and restrictions of the Preferred Stock are described below:

- The Preferred Stock has an aggregate initial liquidation preference of approximately \$126 million and is convertible into shares of Class A Common Stock at an initial conversion price of \$9.00 per share of Class A Common Stock.
- The Preferred Stock is convertible, at the option of Carvana, into a number of shares of the Company’s Class A Common Stock in accordance with the then-effective conversion rate; the conversion rate is equal to the liquidation preference divided by the conversion price applicable to such share in effect on the date of such conversion.
- In the event that dividends or distributions payable in shares of the Company’s Common Stock are paid on the Company’s Common Stock, the new conversion price will be the original conversion price, multiplied by the quotient, rounded to the nearest one-thousandth, of (i) the number of shares of the Company’s Common Stock outstanding immediately prior to the effectiveness of such an event divided by (ii) the number of shares of the Company’s Common Stock outstanding immediately following, and solely as a result of, such an event.
- The Preferred Stock is perpetual with no fixed maturity date, and the Preferred Stock ranks superior to all junior Company stock, including both the Class A Common Stock and the shares of the Company’s Class B common stock.
- The Preferred Stockholders (as defined in the Certificate of Designations) are not entitled to any dividends, except under certain circumstances as specified in the Certificate of Designations following the fifth anniversary of the earlier of the date of completion of the Integrated Platform (as defined below) or 18 months following October 1, 2021 (such earlier date, the “Reference Date”) following which the Preferred Stockholders are entitled to dividends at a rate of 5.0% per annum.

- The Preferred Stock is mandatorily convertible or redeemable in connection with any change of control of the Company.
- The Preferred Stockholders have voting rights with the common stockholders on an as-if-converted basis, and have the right to vote as a separate class in a limited number of circumstances as specified in the Certificate of Designations.

Warrants

In addition, the Company issued Carvana eight tranches of Warrants, comprised of three tranches of “short-term Warrants” and five tranches of “long-term Warrants.”

The following summary of the material terms of the Warrants does not purport to be complete and is qualified in its entirety by reference to the full text of the Warrants, which is attached hereto as Exhibit 4.1.

If the Warrants are fully exercised by Carvana for cash, Carvana will have the opportunity to purchase approximately 129 million shares of Class A Common Stock, representing 29.9% of the aggregate number of issued and outstanding shares of the Company’s Common Stock on a fully-diluted basis as of August 11, 2021.

The Warrants are subject to various exercise prices, conditions to exercise, and expirations. The short-term Warrants expire three years following the Reference Date and the long-term Warrants expire five years after the Reference Date. The short-term Warrants have exercise prices of \$10.00 to \$12.00 and the long-term Warrants have exercise prices of \$10.00 to \$30.00. Certain conditions to exercise are dependent upon the achievement of defined milestones tied to the development of the Integrated Platform and insurance sales through the Integrated Platform (as defined below).

Commercial Agreement

The Company and Carvana entered into a five (5) year commercial relationship that memorializes the terms of the partnership.

The following summary of the material terms of the Commercial Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Commercial Agreement, which is attached hereto as Exhibit 10.1.

Under the terms of the Commercial Agreement, the parties will develop an integrated automobile insurance solution for Carvana’s online car buying platform (the “Integrated Platform”), whereby the Company will pay commissions to Carvana for insurance policies purchased by Carvana customers identified through agreed attribution guidelines through the Integrated Platform and the Company will have certain exclusivity rights to offer automobile insurance on Carvana’s platform and will partner exclusively with Carvana for an enterprise total loss replacement vehicle solution. The Company and its subsidiaries are prohibited from taking certain specified actions, including implementing an embedded insurance solution with any other automotive company. Each party is subject to certain specified damages for breach of exclusivity.

Investment Agreement

Pursuant to the terms of the Investment Agreement, Carvana is entitled to certain rights and subject to certain restrictions with respect to the Company.

The following summary of the material terms of the Investment Agreement and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the full text of the Investment Agreement, which is incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K as filed with the U.S. Securities and Exchange Commission (“SEC”) on August 12, 2021.

Carvana is entitled to certain governance, consent and registration rights contemplated by the Investment Agreement. Carvana’s governance rights include the right to appoint Ernest Garcia III, the President and Chief Executive Officer of Carvana, to the board of directors of the Company (the “Board”). Carvana will no longer be entitled to appoint Mr. Garcia to the Board if Carvana ceases to beneficially own any of the Preferred Stock acquired by Carvana at the closing. Carvana has not exercised its appointment right as of the date hereof.

Carvana is subject to customary standstill and non-transfer restrictions in respect of the Preferred Stock and the Warrants for a five (5)-year period following the Closing, subject to certain limited exceptions in the Investment Agreement.

Carvana has also covenanted in the Investment Agreement to make all required insurance regulatory filings with the Company’s domestic insurance regulators in the event that the conversion of the Preferred Stock or exercise of the Warrants would cause Carvana to hold in excess of 9.9% of the outstanding voting stock of the Company. Both Carvana and the Company must use commercially reasonable efforts to obtain any required regulatory approvals.

First Amendment to the Investment Agreement

On September 29, 2021, the Company and Carvana entered into the First Amendment to the Investment Agreement (the “First Amendment”), amending the closing date to the later of October 1, 2021 or the third business day following the satisfaction or waiver of the conditions to closing. The foregoing description of the First Amendment does not purport to be complete and is qualified in its entirety by reference to the First Amendment, a copy of which is attached as Exhibit 10.3 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained in Item 1.01 is incorporated herein by reference.

As described in Item 1.01, pursuant to the terms of the Investment Agreement, the Company issued and sold shares of Preferred Stock and issued the Warrants to Carvana. This issuance and sale of Preferred Stock and issuance of Warrants were exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to Section 4(a)(2) of the Securities Act. Carvana represented to the Company that it is an “accredited investor” as defined in Rule 501 of the Securities Act and that the Preferred Stock and Warrants were acquired for investment purposes and not with a view to, or for sale in connection with, any distribution thereof, and appropriate legends were affixed to any certificates evidencing shares of the Preferred Stock and the Warrants.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are being filed with this Form 8-K.

Exhibit Number	Description
3.1	Certificate of Designations of Series A Preferred Stock, filed with the Delaware Secretary of State on October 1, 2021
4.1	Common Stock Purchase Warrants, dated as of October 1, 2021, by and between Root, Inc. and Carvana Group, LLC
10.1§	Commercial Agreement, dated as of October 1, 2021
10.2	Investment Agreement, dated as of August 11, 2021 (incorporated by reference to Exhibit 10.1 to Root, Inc.'s Current Report on Form 8-K as filed with the SEC on August 12, 2021)
10.3	First Amendment to Investment Agreement, dated as of September 29, 2021, by and between Root, Inc. and Carvana Group, LLC
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

§ Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K and will be provided on a supplemental basis to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 1, 2021

ROOT, INC.

By: /s/ Daniel Rosenthal

Daniel Rosenthal
Chief Revenue and Operating Officer and
Chief Financial Officer

CERTIFICATE OF DESIGNATIONS
OF
SERIES A CONVERTIBLE PREFERRED STOCK
OF
ROOT, INC.

pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Root, Inc., a Delaware corporation (the "Company"), hereby certifies that:

The Amended and Restated Certificate of Incorporation of the Company (the "Certificate of Incorporation") confers upon the Board of Directors of the Company (the "Board of Directors") the authority to provide for the issuance of shares of preferred stock in one or more series, and to fix the number of shares of such series and to determine for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares. On August 11, 2021, a duly appointed special transaction committee of the Board of Directors duly adopted the following resolution creating a series of preferred stock designated as the Series A Convertible Preferred Stock (the "Preferred Stock"), comprised initially of 14,053,096 shares and such resolution has not been modified and is in full force and effect as of October 1, 2021 (the "Effective Date"):

RESOLVED that, pursuant to the authority vested in the Board of Directors in accordance with the provisions of the Certificate of Incorporation, a series of the class of authorized preferred stock, par value \$0.0001 per share, of the Company is hereby created and that the designation and number of shares thereof and the powers, designations, preferences and rights of the shares of such series, and the qualifications, limitations and restrictions thereof are as follows:

SECTION 1. DESIGNATION. The distinctive designation of the Preferred Stock shall be "Series A Convertible Preferred Stock." Each share of Preferred Stock shall be identical in all respects to every other share of Preferred Stock.

SECTION 2. NUMBER OF SHARES. The authorized number of shares of Preferred Stock shall be 14,053,096. Shares of Preferred Stock that are redeemed, purchased or otherwise acquired by the Company, or converted into shares of Class A Common Stock, shall not be reissued as shares of such series and shall be cancelled and become authorized but unissued shares of preferred stock of the Company.

SECTION 3. LIQUIDATION PREFERENCE. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, Holders shall subject to Section 7 below be entitled, out of funds legally available therefor, before any distribution or payment may be made by the Company or set aside for the holders of any Junior Stock, and subject to the rights of the holders of any Senior Stock or Parity Stock upon liquidation, dissolution or winding up and the rights of the Company's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of \$9.00 per share plus the amount of any accrued but unpaid dividends thereon as of such date (the "Liquidation Preference"). Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company other than what is expressly provided for in this Certificate of Designations (including in this Section 3 and in Section 7 below).

SECTION 4. DEFINITIONS. As used herein with respect to Preferred Stock:

- (a) "90 Day VWAP" means the average of the VWAP per share of Class A Common Stock for each of ninety consecutive full Trading Days.
- (b) "Affiliate" has the meaning specified in the Investment Agreement.
- (c) "Board of Directors" has the meaning specified in the Preamble.
- (d) "Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City.
- (e) "Bylaws" means the Amended and Restated Bylaws of the Company, as they may be amended from time to time in accordance with their terms.
- (f) "Certificate of Designations" means this Certificate of Designations relating to the Preferred Stock, as it may be amended from time to time in accordance with the terms hereof and the Certificates of Incorporation.
- (g) "Certificate of Incorporation" has the meaning specified in the Preamble.

(h) “Change of Control” means the occurrence of one of the following: (i) a “person” or “group” within the meaning of Section 13(d) of the Exchange Act obtains direct or indirect ultimate beneficial ownership of Voting Stock representing more than 50% of the voting power of the outstanding Voting Stock, other than any transaction in which the Persons that beneficially owned, directly or indirectly, Voting Stock immediately prior to such transaction beneficially own, directly or indirectly, shares representing a majority of the total voting power of all outstanding classes of shares of the continuing or surviving Person or the ultimate resulting parent entity immediately after the transaction; or (ii) consummation of any consolidation, merger or share exchange of the Company or any sale, lease or other transfer of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any Person other than one or more of the Company’s Subsidiaries, in each case pursuant to which the Voting Stock will be converted into, or receive a distribution of the proceeds in, cash, securities or other property, other than any such consolidation, merger, share exchange or similar extraordinary transaction in which the Persons that beneficially owned, directly or indirectly, Voting Stock immediately prior to such transaction beneficially own, directly or indirectly, shares representing a majority of the total voting power of all outstanding classes of shares of the continuing or surviving Person or the ultimate resulting parent entity immediately after the transaction.

(i) “Change of Control Exchange” has the meaning specified in Section 7(c).

(j) “Change of Control Notice Date” has the meaning specified in Section 7(c).

(k) “Change of Control Price” has the meaning specified in Section 7(c).

(l) “Class A Common Stock” means the shares of Class A common stock, par value \$0.0001 per share, of the Company.

(m) “Class B Common Stock” means the shares of Class B common stock, par value \$0.0001 per share, of the Company.

(n) “Closing” has the meaning specified in the Investment Agreement.

(o) “Closing Price” of the Class A Common Stock on any date of determination means the closing sale price or, if no closing sale price is reported, the last reported sale price, of the shares of the Class A Common Stock on the Nasdaq Global Select Market on such date. If the Class A Common Stock is not traded on the Nasdaq Global Select Market on any date of determination, the Closing Price of the Class A Common Stock on such date of determination means the closing sale price as reported in the composite transactions for the principal United States securities exchange or automated quotation system on which the

Class A Common Stock is so listed or quoted, or, if no closing sale price is reported, the last reported sale price on the principal United States securities exchange or automated quotation system on which the Class A Common Stock is so listed or quoted, or if the Class A Common Stock is not so listed or quoted on a United States securities exchange or automated quotation system, the last quoted bid price for the Class A Common Stock in the over-the-counter market as reported by OTC Market Group, Inc. or any similar organization, or, if that bid price is not available, the market price of the Class A Common Stock on that date as determined by a nationally recognized investment banking firm (unaffiliated with the Company) retained by the Company for such purpose.

(p) “Commercial Agreement” means that certain Commercial Agreement between Caret Holdings, Inc. and the Purchaser dated as of October 1, 2021, as it may be amended, supplemented or otherwise modified from time to time.

(q) “Common Stock” means the Class A Common Stock and the Class B Common Stock.

(r) “Common Event” has the meaning specified in Section 5(b).

(s) “Company” has the meaning specified in the Preamble.

(t) “Conversion Price” has the meaning specified in Section 6(a).

(u) “Conversion Rate” has the meaning specified in Section 6(a).

(v) “Credit Agreements” means, collectively, (i) that certain Amended and Restated Term Loan Agreement, dated as of April 17, 2019, as amended and restated as of November 25, 2019 and (ii) that certain Note Purchase Agreement, dated as of November 25, 2019.

(w) “Deadline Date” has the meaning specified in Section 7(c).

(x) “Effective Date” has the meaning specified in the Preamble.

(y) “Fall-Away of Purchaser Rights” means the first day on which the Purchaser no longer meets the Ownership Requirement.

(z) “Governmental Authority” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law) or any arbitrator, arbitration panel, court or tribunal.

(aa) “Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

(bb) “Holder” means the Person in whose name a share of Preferred Stock is registered in the stock register of the Company.

(cc) “Issue Date” means, with respect to a share of Preferred Stock, the date of issuance thereof.

(dd) “Investment Agreement” means that certain Investment Agreement between the Company and the Purchaser dated as of August 11, 2021, as it may be amended, supplemented or otherwise modified from time to time, with respect to certain terms and conditions concerning, among other things, the rights of and restrictions on the Holders.

(ee) “Junior Stock” means the Common Stock and any other class or series of shares of the Company that ranks junior to the Preferred Stock either as to the payment of dividends (whether such dividends are cumulative or non-cumulative) or as to the distribution of assets upon any liquidation, dissolution or winding-up of the Company, including any other class or series of preferred stock issued by the Company.

(ff) “Law” means any statute, law, ordinance, regulation, rule, code, Governmental Order, constitution, treaty, common law, other requirement or rule of law of any Governmental Authority.

(gg) “Liquidation” has the meaning specified in Section 7(a).

(hh) “Liquidation Preference” has the meaning specified in Section 3.

(ii) “Mandatory Conversion Period” means any period of time, following the fifth anniversary of the date that Product Integration has been achieved, beginning the first Trading Day when the Company’s 90 Day VWAP is greater than the Conversion Price, and ending the first Trading Day when the Company’s 90 Day VWAP is less than the Conversion Price.

(jj) “Mandatory Conversion” has the meaning specified in Section 8.

(kk) “Mandatory Conversion Date” has the meaning specified in Section 8.

(ll) “Market Disruption Event” means any of the following events: (i) any suspension of, or limitation imposed on, trading of the Class A Common Stock by any exchange or quotation system on which the Closing Price is determined pursuant to the definition of the term “Closing Price” (the “Relevant Exchange”) during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Class A Common Stock, any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) and whether by reason of movements in price exceeding limits permitted by the Relevant Exchange as to securities generally, or otherwise relating to the Class A Common Stock or options contracts relating to the Class A Common Stock on the Relevant Exchange; or (ii) any event that disrupts or impairs (as determined by the Company in its reasonable discretion) the ability of market participants during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Class A Common Stock, any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) in general to effect transactions in, or to obtain market values for, the Class A Common Stock on the Relevant Exchange or to effect transactions in, or to obtain market values for, options contracts relating to the Class A Common Stock on the Relevant Exchange.

(mm) “Notice of Mandatory Conversion” has the meaning set forth in Section 8.

(nn) “Ownership Requirement” means that the Purchaser continues to beneficially own at all times all those shares of Preferred Stock acquired at the Closing.

(oo) “Parity Stock” means any other class or series of stock of the Company that ranks equally with the Preferred Stock in both the payment of dividends (whether such dividends are cumulative or non-cumulative) and in the distribution of assets on any liquidation, dissolution or winding-up of the Company.

(pp) “Person” means any individual, corporation, general partnership, limited partnership, limited liability partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization or Governmental Authority.

(qq) “Preferred Stock” has the meaning specified in the Preamble.

(rr) “Preferred Stock Dividend” has the meaning specified in Section 5.

(ss) "Preferred Stock Dividend Payment Date" means March 15, June 15, September 15 and December 15 of each year.

(tt) "Preferred Stock Dividend Period" means the period of time beginning on the first Trading Day following the fifth anniversary of the date that Product Integration has been achieved when the Company's 90 Day VWAP is less than the Conversion Price, and continuing thereafter so long as any shares of Preferred Stock remain outstanding.

(uu) "Product Integration" has the meaning set forth in the Commercial Agreement.

(vv) "Purchaser" has the meaning set forth in the Investment Agreement.

(ww) "Registration Rights Agreement" means that certain Registration Rights Agreement between the Company and the Purchaser dated as of October 1, 2021, as it may be amended, supplemented or otherwise modified from time to time, with respect to certain terms and conditions concerning, among other things, the rights of and restrictions on the Holders.

(xx) "Relevant Exchange" has the meaning set forth in the definition of the term "Market Disruption Event".

(yy) "Representative" means, as to any Person, such Person's directors, members, partners, managers, officers, employees, agents and other representatives, in each case to the extent acting in their capacity as such.

(zz) "Requirements of Law" means, as to any Person, any law, treaty, rule or regulation, or determination or decree, or determination, of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

(aaa) "Senior Stock" means any other class or series of shares of the Company that ranks senior to the Preferred Stock either as to the payment of dividends (whether such dividends are cumulative or non-cumulative) or as to the distribution of assets upon any liquidation, dissolution or winding-up of the Company, including any other class or series of preferred stock issued by the Company.

(bbb) "Subsidiary" of the Company means: (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in

the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by the Company or one or more of the other Subsidiaries of the Company (or a combination thereof); and (ii) any partnership (a) the sole general partner or the managing general partner of which is the Company or a Subsidiary of the Company or (b) the only general partners of which are the Company or one or more Subsidiaries of the Company (or any combination thereof).

(ccc) "Trading Day," means a Business Day on which the Relevant Exchange is scheduled to be open for business and on which there has not occurred a Market Disruption Event.

(ddd) "Voting Stock" as of any date means the capital stock of the Company that is at the time entitled to vote in the election of the Board of Directors.

(eee) "VWAP" per share of Class A Common Stock on any Trading Day means the per share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg (or, if Bloomberg ceases to publish such price, any successor service reasonably chosen by the Company) page "Root, Inc." (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading on the relevant Trading Day until the scheduled close of trading on such Trading Day (or if such volume-weighted average price is unavailable, the market price of one share of Class A Common Stock on such Trading Day determined, using a volume-weighted average method, by a nationally recognized investment banking firm (unaffiliated with the Company) retained by the Company for such purpose).

SECTION 5. DIVIDENDS.

(a) PREFERRED STOCK DIVIDENDS. Except as set forth in this Section 5(a) and Section 5(b), Holders shall not be entitled to any dividend in respect of the Preferred Stock, whether payable in cash, property or shares of common stock or preferred stock of the Company. With respect to the Preferred Stock Dividend Period, Holders of shares of outstanding Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds of the Company lawfully available for payment, a Preferred Stock Dividend at an annual rate of 5.00% of the Liquidation Preference per share of Preferred Stock, payable in arrears on the Preferred Stock Dividend Payment Date, in cash (the "Preferred Stock Dividend"). Any unpaid Preferred Stock Dividends shall accumulate during the Preferred Stock Dividend Period whether or not, in the Preferred Stock Dividend Period, there have been funds of the Company lawfully available for the payments of such Preferred Stock Dividend. The Preferred Stock Dividends shall be payable on the Preferred Stock Dividend Payment Date to Holders that are record Holders on the record date set by the Board of Directors for the payment of such Preferred Stock Dividend, but only to the extent such Preferred Stock Dividend has been declared by the Board of Directors to be payable on the Preferred Stock Dividend Payment Date. The Preferred Stock Dividends shall be based on the number of days elapsed during the

Preferred Stock Dividend Period and computed on the basis of a 360-day year consisting of twelve 30-day months. No interest, or sum of money in lieu of interest shall be payable in respect of any Preferred Stock Dividend payment or payments. If the Preferred Stock Dividend is not paid in full on the Preferred Stock Dividend Payment Date to all holders of the Preferred Stock, such Preferred Stock Dividend shall be paid pro rata based on the number of shares of Preferred Stock. If the Board of Directors determines not to pay the Preferred Stock Dividend in full on the Preferred Stock Dividend Payment Date, the Company will provide written notice to the Holders prior to the Preferred Stock Dividend Payment Date.

(b) COMMON STOCK DIVIDENDS. In the event that any dividend on the Common Stock is declared by the Board of Directors or a duly authorized committee of the Board of Directors and paid by the Company or any other distribution is made on or with respect to the Common Stock (other than any dividend or distribution payable in shares of Common Stock described in the next succeeding paragraph), the Holder as of the record date established by the Board of Directors or a duly authorized committee of the Board of Directors for such dividend or distribution on the Common Stock shall be entitled to receive, with respect to each share of Preferred Stock held, that dividend or distribution that such Holder would have been entitled to if such Holder held that number of shares of Class A Common Stock equal to the Conversion Rate, with such dividend or distribution to be payable on the same payment date established by the Board of Directors or a duly authorized committee of the Board of Directors for the payment of such dividend or distribution to the holders of Common Stock. The record date for any such dividend or distribution shall be the record date for the applicable dividend or distribution on the Common Stock, and any such dividend or distribution shall be payable with respect to each share of Preferred Stock to the Holder to whom such share is registered, as reflected on the stock register of the Company, at the close of business on the applicable record date. For purposes hereof, the term "dividends" shall include any pro rata distribution by the Company of cash, property, securities (including, but not limited to, rights, warrants or options) or other property or assets to the holders of the Common Stock, whether or not paid out of capital, surplus or earnings, other than any dividend or distribution payable in shares of Common Stock described in the next succeeding paragraph.

In the event that any dividend or distribution payable in shares of Common Stock shall be paid on the Common Stock, or in the event of any subdivision, stock split, reverse stock split, combination, consolidation or reclassification of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock (a "Common Event"), the Conversion Price shall, as of the effective time of such Common Event, be multiplied by the quotient, rounded to the nearest one one-thousandth, of (A) the number of shares of Common Stock outstanding immediately prior to the effectiveness of such Common Event divided by (B) the number of shares of Common Stock outstanding immediately following, and solely as a result of, such Common Event.

Prior to declaring any dividend or making any distribution on or with respect to shares of Common Stock, the Company shall take any and all prior corporate action necessary to authorize any corporate action in respect of the Preferred Stock required under this Certificate of

Designations, including authorizing the payment of (and setting the record date and payment date for) any dividend or the issuance of any security contemplated by this Section 5(b). So long as any share of Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on any shares of Common Stock or any other shares of Junior Stock unless all accrued and unpaid Preferred Stock Dividends with respect to such Preferred Stock Dividend Period on all outstanding shares of Preferred Stock have been or are contemporaneously declared and paid in full.

SECTION 6. OPTIONAL CONVERSION.

(a) At the option of the Holder, each share of Preferred Stock shall be convertible, at any time, or from time to time, into that number of fully-paid and nonassessable shares of Class A Common Stock as is determined in accordance with the then-effective Conversion Rate; provided, however, that to the extent such conversion would cause the Holder to hold in excess of 9.9% of the Voting Stock, such conversion shall be subject to the receipt of approval from (a) the Delaware Insurance Commissioner of a Form A Filing and Pre-Acquisition Application pursuant to Delaware Insurance Code section 5003, or approval from the Delaware Insurance Commissioner of a disclaimer of affiliation and (b) the Ohio Director of Insurance of a Form A Filing pursuant to Ohio Insurance Code section 3901.321, or approval from the Ohio Director of Insurance of a disclaimer of affiliation. The "Conversion Rate" shall be equal to the Liquidation Preference divided by the Conversion Price applicable to such share, determined as hereafter provided, in effect on the date of such conversion. The "Conversion Price" shall initially be \$9.00 per share of Preferred Stock.

(b) All shares of Preferred Stock that are converted shall thereupon be cancelled and retired and cease to exist, shall cease to confer upon the Holder thereof any rights, and shall not thereafter be reissued or sold and shall return to the status of authorized but unissued shares of Preferred Stock undesignated as to series.

(c) All shares of Class A Common Stock delivered upon any conversion of Preferred Stock in accordance with this Section 6 will, upon such conversion, be duly and validly authorized and issued, fully paid and nonassessable, free from all preemptive rights, free from all taxes, liens, security interests, charges and encumbrances (other than liens, security interests, charges or encumbrances created by or imposed upon the Holder or taxes in respect of any transfer occurring contemporaneously therewith).

(d) The issuance of shares of Class A Common Stock upon conversion of shares of Preferred Stock in accordance with this Section 6 shall be made without payment of additional consideration by, or other charge, cost or tax to, the Holder in respect thereof; provided, however, that the Company shall not be required to pay any tax or other governmental charge that may be payable with respect to the issuance or delivery of any shares of Class A Common Stock in the name of any Person other than the Holder of the converted shares, and no such delivery shall be made unless and until the Person requesting such issuance has paid to the Company the amount of any such tax or charge, or has established to the satisfaction of the Company that such tax or charge has been paid or that no such tax or charge is due.

(e) The Company shall at all times reserve and keep available, free from any preemptive rights, out of its authorized but unissued shares of Class A Common Stock, for the sole purpose of effecting such conversion, the full number of shares of Class A Common Stock issuable upon the conversion of all the outstanding shares of the Preferred Stock at the Conversion Rate.

(f) The conversion of any shares of Preferred Stock into shares of Class A Common Stock pursuant to this Section 6 shall be subject to compliance with the procedural requirements of the transfer agent of the Company.

SECTION 7. LIQUIDATION RIGHTS.

(a) VOLUNTARY OR INVOLUNTARY LIQUIDATION. In the event of a voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company (a "Liquidation"), after payment or provision for payment of the debts and other liabilities of the Company, the Holders shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Company may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any Senior Stock or Parity Stock and the rights of the Company's existing and future creditors, to receive in full a liquidating distribution in cash and in the amount per share of Preferred Stock equal to the greater of (i) the Liquidation Preference and (ii) the amount such Holders would have received had such Holders, immediately prior to such Liquidation, converted such shares of Preferred Stock into Class A Common Stock pursuant to Section 6. Holders shall not be entitled to any further payments in the event of any such Liquidation other than what is expressly provided for in this Section 7 and will have no right or claim to any of the Company's remaining assets.

(b) PARTIAL PAYMENT. If in connection with any distribution described in Section 7(a) above, the assets of the Company or proceeds therefrom are not sufficient to pay in full the aggregate liquidating distributions required to be paid pursuant to Section 7(a) above to all Holders and the liquidating distributions payable to all holders of any Parity Stock, the amounts distributed to the Holders and to the holders of all such Parity Stock shall be paid pro rata in accordance with the respective aggregate liquidating distributions to which they would otherwise be entitled if all amounts payable thereon were paid in full.

(c) CHANGE OF CONTROL EXCHANGE OR REDEMPTION IN FULL. Upon the occurrence of a Change of Control, each Holder as of the effective date of the Change of Control shall elect, during the period beginning on the 30th Business Day prior to the effective date of the Change of Control (the "Change of Control Notice Date") and ending on the date that is 20 Business Days after the Change of Control Notice Date (the "Deadline Date"), to, on the

effective date of the Change of Control, (i) subject to the prior repayment in full of the obligations under the Credit Agreements as required pursuant to the terms thereof, or any refinancing or replacement thereof, require the Company (or its successor) to purchase, out of funds legally available therefor, all (but not less than all) of its shares of Preferred Stock at a purchase price per share, payable in cash, in an aggregate amount (such amount, the “Change of Control Price”) equal to the Liquidation Preference (a “Change of Control Exchange”) or (ii) be deemed to have converted all (but not less than all) of its shares of Preferred Stock into Class A Common Stock as of the Change of Control Effective Date and, if applicable, receive consideration per share of Class A Common Stock received in such conversion equal to the consideration received by holders of Class A Common Stock in such Change of Control (a “Change of Control Conversion”). If no election has been made by the Deadline Date then the Company shall have the right to make such election.

(i) On or before the 30th Business Day prior to the date on which the Company anticipates consummating a Change of Control (or, if later, promptly after the Company discovers that a Change of Control will occur or has occurred), a written notice shall be sent by or on behalf of the Company, by overnight courier to the Holders as they appear in the records of the Company. Such notice shall contain:

(x) the date on which the Change of Control is anticipated to be effected (or, if applicable, the date on which a Change of Control has occurred);

(y) the date, which shall be 20 Business Days after the Change of Control Notice Date, by which the Holder must elect to effect a Change of Control Exchange or a Change of Control Conversion; and

(z) a statement setting forth in reasonable detail the calculation of the consideration that would be received upon a Change of Control Conversion with respect to such Holder.

(ii) On the Change of Control Notice Date (or if the Company discovers that a Change of Control has occurred, promptly following the date of such discovery), a final written notice shall be sent by or on behalf of the Company, by overnight courier to the Holders as they appear in the records of the Company. Such notice shall contain:

(x) the date, which shall be 20 Business Days after the Change of Control Notice Date, by which the Holder must elect to effect a Change of Control Exchange or a Change of Control Conversion; and

(y) the instructions a Holder must follow to effect a Change of Control Exchange or a Change of Control Conversion in connection with such Change of Control.

(iii) To exercise a Change of Control Exchange or a Change of Control Conversion, a Holder must, no later than 5:00 p.m., New York City time, on the date by which such election must be made, effectuate the book-entry transfer evidencing such Preferred Stock to be sold or exchanged or converted and indicate in writing that it is electing to effect a Change of Control Exchange or a Change of Control Conversion pursuant to Section 7.

(iv) Upon a Change of Control Exchange, the Company shall deliver or cause to be delivered to the Holder the amount of cash to be delivered to such Holder in exchange for its shares of Preferred Stock.

(v) Upon a Change of Control Conversion, the Company shall deliver or cause to be delivered to the Holder the amount of consideration per share of Class A Common Stock received in such conversion equal to the consideration received by holders of Class A Common Stock.

SECTION 8. MANDATORY CONVERSION

(a) So long as an effective Shelf Registration Statement (as defined in the Registration Rights Agreement) is in effect, at any time during the Mandatory Conversion Period, the Company may elect to convert (a "Mandatory Conversion") all or any portion of the outstanding shares of Preferred Stock into shares of Class A Common Stock (the date selected by the Company for any Mandatory Conversion pursuant to this Section 8(a), the "Mandatory Conversion Date"). In the case of a Mandatory Conversion, each share of Preferred Stock then outstanding shall be converted into that number of fully-paid and nonassessable shares of Class A Common Stock as is determined in accordance with the then-effective Conversion Rate, plus cash in lieu of fractional shares, out of funds legally available therefor, plus cash in the amount of any accrued and unpaid dividend pursuant to Section 5 with respect to such share of Preferred Stock as of the Mandatory Conversion Date; provided that, if all shares of Preferred Stock elected by the Company to be converted cannot be converted into Class A Common Stock at such time, the Company shall (i) deliver the maximum number of shares of Class A Common Stock that may be issued upon conversion of the Preferred Stock at such time, together with an amount of cash equal to the VWAP per share of Class A Common Stock on the Trading Day immediately preceding the Mandatory Conversion Date in lieu of any such shares of Class A Common Stock otherwise deliverable upon a Mandatory Conversion or (ii) elect to reduce the number of Preferred Shares to be converted.

(b) If the Company elects to effect a Mandatory Conversion, the Company shall, within ten (10) Business Days following the completion of the applicable Mandatory Conversion Period, provide notice of the Mandatory Conversion to each Holder (such notice, a “Notice of Mandatory Conversion”). The Mandatory Conversion Date selected by the Company shall be no less than 10 Business Days and no more than 20 Business Days after the date on which the Company provides the Notice of Mandatory Conversion to the Holders. The Notice of Mandatory Conversion shall state, as appropriate:

(i) the Mandatory Conversion Date selected by the Company;

(ii) the Conversion Rate as in effect on the Mandatory Conversion Date, the number of shares Preferred Stock to be converted from such Holder, the number of shares of Class A Common Stock to be issued to such Holder upon conversion of each such share of Preferred Stock and, if applicable, the amount of dividends payable pursuant to Section 5 as of the Mandatory Conversion Date; and

(c) in the event that the Mandatory Conversion is exercised with respect to shares of Preferred Stock representing less than all the shares of Preferred Stock outstanding at such time, the shares to be converted shall be converted by the Company on a pro rata basis based on the then-outstanding shares of Preferred Stock. If fewer than all the book-entry shares of Preferred Stock are converted, the book-entry notation representing the shares of Preferred Stock that remain outstanding shall be updated without charge to the Holder thereof, to the extent applicable.

(d) All shares of Preferred Stock that are converted pursuant to this Section 8 shall thereupon be cancelled and retired and cease to exist, shall cease to confer upon the Holder thereof any rights, and shall not thereafter be reissued or sold and shall return to the status of authorized but unissued shares of Preferred Stock undesignated as to series.

(e) All shares of Class A Common Stock delivered upon any conversion of Preferred Stock in accordance with this Section 8 will, upon such conversion, be duly and validly authorized and issued, fully paid and nonassessable, free from all preemptive rights, free from all taxes, liens, security interests, charges and encumbrances (other than liens, security interests, charges or encumbrances created by or imposed upon the Holder or taxes in respect of any transfer occurring contemporaneously therewith).

(f) The issuance of shares of Class A Common Stock upon conversion of shares of Preferred Stock in accordance with this Section 8 shall be made without payment of additional consideration by, or other charge, cost or tax to, the Holder in respect thereof; provided, however, that the Company shall not be required to pay any tax or other governmental charge that may be payable with respect to the issuance or delivery of any shares of Class A Common Stock in the name of any Person other than the Holder of the converted shares, and no

such delivery shall be made unless and until the Person requesting such issuance has paid to the Company the amount of any such tax or charge, or has established to the satisfaction of the Company that such tax or charge has been paid or that no such tax or charge is due.

(g) The Company shall at all times reserve and keep available, free from any preemptive rights, out of its authorized but unissued shares of Class A Common Stock, for the sole purpose of effecting such conversion, the full number of shares of Class A Common Stock issuable upon the conversion of all the outstanding shares of the Preferred Stock at the Conversion Rate.

(h) The conversion of any shares of Preferred Stock into shares of Class A Common Stock pursuant to this Section 8 shall be subject to compliance with the procedural requirements of the transfer agent of the Company.

SECTION 9. VOTING RIGHTS.

(a) GENERAL. Holders will be entitled to vote, together with the holders of Class A Common Stock and Class B Common Stock, on an as-converted basis on all matters submitted to a vote of the holders of Class A Common Stock and Class B Common Stock. The Holders and the holders of the Class A Common Stock and the Class B Common Stock shall vote together as a single class, unless otherwise required by the Certificate of Incorporation or Law or Delaware law; provided that holders of Class A Common Stock and Class B Common Stock shall not be entitled to vote on any amendment to this Certificate of Designations.

(b) ADVERSE CHANGES. Provided that the Fall-Away of Purchaser Rights has not occurred, the vote or consent of the Holders of at least a majority of the shares of Preferred Stock outstanding at such time, voting together as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating any of the following actions, whether or not such approval is required pursuant to Delaware law:

(i) any amendment, alteration or repeal of any provision of the Certificate of Incorporation, this Certificate of Designations or the Bylaws that would alter or change the voting powers, preferences or special rights of the Preferred Stock so as to affect them adversely;

(ii) any authorization or creation of, or issuance of, any Senior Stock or Parity Stock, and any increase in the authorized number of Preferred Stock;

(iii) any amendment, alteration or repeal of any provision of the Certificate of Incorporation that would alter or change the right to receive dividends or distributions or rights upon liquidation of the Company of the Class A Common Stock relative to the Class B Common Stock;

(iv) any liquidation, dissolution or winding up of the Company; or

(v) agreeing or committing to do or take any action contemplated by Section 9(b)(i)-(v).

SECTION 10. RANKING. The Preferred Stock shall rank senior to Junior Stock and equally with any other Parity Stock. Any class or series of preferred stock of the Company approved in accordance with Section 9(b) and issued in the future will rank senior to the Preferred Stock and the Parity Stock, as to the payment of dividends and as to any voluntary or involuntary return of assets on liquidation, dissolution or winding up of the Company, if holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon any voluntary or involuntary return of assets on liquidation, dissolution or winding up, as the case may be, of the Company in preference or priority to Holders and holders of the Parity Stock.

SECTION 11. CALCULATION IN RESPECT OF PREFERRED STOCK. The Company shall be responsible for making all calculations called for in respect of the Preferred Stock. Upon any increase or decrease in the Conversion Price, then, and in each such case, the Company promptly shall deliver to each Holder a certificate signed by an officer, setting forth in reasonable detail the event requiring the adjustment and the method by which such adjustment was calculated and specifying the increased or decreased Conversion Price then in effect following such adjustment.

SECTION 12. MATURITY. The Preferred Stock will be issued as perpetual securities with no fixed maturity date and Holders will not have any rights to require the Company to redeem, repurchase or retire the Preferred Stock at any time.

SECTION 13. RECORD HOLDERS. To the fullest extent permitted by applicable Law, the Company and the transfer agent for the Preferred Stock may deem and treat the record Holder as the true and lawful owner thereof for all purposes, and neither the Company nor such transfer agent shall be affected by any notice to the contrary.

SECTION 14. WITHHOLDING. Notwithstanding anything herein to the contrary, to the extent withholding or backup withhold is, subject to applicable exemptions, required by law the Company shall have the right to deduct and withhold from any payment or distribution (or deemed distribution) made with respect to a share of Preferred Stock and from the issuance of any Class A Common Stock upon its conversion such amounts as are required to be deducted or withheld with respect to the making of such payment or distribution or such issuance under any applicable tax Law and, in the event that any amounts are deducted or withheld, the Company shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law. The Company shall give a Holder reasonable notice if it intends to withhold and will reasonably cooperate with such Holder to mitigate any such withholding. To the extent that any amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Certificate of Designations and the relevant share of Preferred Stock as having been paid to the Holder of such share of Preferred Stock. After any payment of taxes by the Company to a Governmental Authority with respect to a Holder pursuant to this Section 14, upon the written request by such Holder, the Company shall deliver to such Holder the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other customary evidence of such payment reasonably satisfactory to such Holder. Each non-U.S. Holder shall indemnify the Company and its Affiliates for, and hold harmless the Company and its Affiliates from and against, any and all withholding tax, including penalties and interest, payable by or assessed against the Company or any of its Affiliates in respect of the shares of Preferred stock or Warrants held by such non-U.S. Holder.

SECTION 15. NOTICES. All notices and other communications under this Certificate of Designations shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt by other than automatic means, whether electronic or otherwise), (b) when sent by email or (c) one Business Day following the day sent by an internationally recognized overnight courier (with written confirmation of receipt), in each case, at the following addresses and/or email addresses (or to such other address or email address as a party may have specified by notice given to the other parties pursuant to this provision):

to the Company:

Root, Inc.
80 E. Rich Street
Columbus, Ohio 43215
Email: legal@joinroot.com
Attention: Jonathan A. Allison, General Counsel

to any Holder:

by e-mail if such Holder has provided an e-mail address to the Company or its transfer agent for purposes of notification, or, if no such e-mail address is available, to such Holder's address as it appears in the stock records of the Company or as otherwise specified in a written notice given by such Holder to the Company or, at the Company's option with respect to any notice from the Company to a Holder, in accordance with customary practices of the Company's transfer agent.

SECTION 16. SEVERABILITY. The provisions of this Certificate of Designations shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Certificate of Designations, or the application thereof to any Person or any circumstance, is found by a court or other Governmental Authority of competent jurisdiction to be invalid or unenforceable, the remainder of this Certificate of Designations and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. If any provision of this Certificate of Designations is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

SECTION 17. OTHER RIGHTS. The shares of Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Certificate of Incorporation or as provided by applicable Law.

IN WITNESS WHEREOF, the Company has caused this certificate to be signed by the undersigned, this 1st day of October, 2021.

ROOT, INC.

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating Officer and Chief
Financial Officer

Certificate of Designations for Root, Inc. Signature Page

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

SHORT-TERM COMMON STOCK PURCHASE WARRANT

ROOT, INC.

Short-Term Tranche 1

Warrant Shares: 42,585,140

Issuance Date: October 1, 2021

THIS SHORT-TERM COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, Carvana Group, LLC, a Delaware limited liability company, or its permitted successors or assigns (the “Holder”) is entitled, upon the terms and subject to the conditions hereinafter set forth, in whole or in part, at any time on or after the Reference Date (the “Initial Exercise Date”) through 5:00 p.m. (New York City time) on the third (3rd) anniversary of the Reference Date unless earlier terminated as provided herein (the “Termination Date”) but not thereafter, to subscribe for and purchase from Root, Inc., a Delaware corporation (the “Company”), subject to the satisfaction of the Conditions to Exercise, 42,585,140 shares (as subject to adjustment hereunder, the “Warrant Shares”) of Class A Common Stock, which represents the number of shares of Common Stock that would constitute 12.5% of all issued and outstanding shares of Common Stock on a Fully Diluted basis as of August 11, 2021, assuming that the Holder has exercised all Warrants on a cash basis. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b) below.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Burdensome Condition” means an obligation take or refrain from taking or agreeing to its, its Affiliates or its or their Subsidiaries obligation to take or refrain from taking any action (including any amendment, waiver or termination of any agreement, exhibit or schedule, including this Warrants, the Investment Agreement, the Certificate of Designations, and the Commercial Agreement and the exhibits and schedules hereto or thereto) or to suffer to exist any limitation, action, restriction, condition or requirement which, individually or together with all other such limitations, actions, restrictions, conditions or requirements, that would, or would reasonably be expected to, have (i) a material adverse effect on the business, financial condition, assets and liabilities (considered together), operations or results of operations of Holder and its Affiliates or Subsidiaries, taken as a whole, or (ii) a material adverse effect on the aggregate economic benefits, taken as a whole, that, as of the date hereof, the Holder would reasonably be expected to obtain from the transactions contemplated by this Warrant.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company.

“Cap” means 29.9% of all issued and outstanding shares of Class A Common Stock on a Fully Diluted basis as of the Issuance date, assuming all Warrants owned by the Holder have been exercised on a cash basis.

“Carvana Group, LLC Warrants” means the Short-Term Warrants and the Long-Term Warrants.

“Class A Common Stock” means the Class A common stock of the Company, par value \$0.0001.

“Class B Common Stock” means the Class B common stock of the Company, par value \$0.0001.

“Commercial Agreement” means the Commercial Agreement entered into on the date hereof by the Company and the Holder.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the Class A Common Stock and the Class B Common Stock.

“Company Sale” means any merger, consolidation, or other business combination of the Company with an entity that is not an Affiliate of the Company that results in the stockholders of the Company immediately prior to such transaction being the beneficial owners of less than 50% of the equity securities of the successor or surviving company.

“Company Policies” has the meaning set forth in the Commercial Agreement.

“Conditions to Exercise” means that each of the following conditions have been met: (i) (a) the receipt of approval from the Delaware Insurance Commissioner of a Form A Filing and Pre-Acquisition Application pursuant to Delaware Insurance Code section 5003, or approval from the Delaware Insurance Commissioner of a disclaimer of affiliation, (b) the receipt of approval from the Ohio Director of Insurance of a Form A Filing pursuant to Ohio Insurance Code section 3901.321, or approval from the Ohio Director of Insurance of a disclaimer of affiliation and (c) any other consent, waiver or approval of any Governmental Authority that regulates insurance that is required by applicable Law; (ii) any required waiting period applicable to the Investment under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (and the rules and regulations promulgated thereunder) (the “HSR Act”), and any agreement between the parties, on the one hand, and the United States Department of Justice or the United States Federal Trade Commission, on the other hand, that prohibits the consummation of the Investment, shall have been terminated or shall have expired; (iii) the earlier of (x) the Product Integration Date or (y) non-completion of Phase 1 of the Product Integration within 18 months from the date of this Warrant; and (iv) upon exercise of this Warrant, (A) the aggregate number of shares of Common Stock the Company shall have issued under all Carvana Group, LLC Warrants does not exceed the Cap; provided, that the Cap shall be adjusted proportionately downward to reflect the effect of one of more issuances based on Cashless Exercise of any Warrant, and (B) after giving pro forma effect to such exercise, and subject to Section 2(c)(vii), the Holder and its controlled affiliates do not directly own more than 34.9% of the Company’s issued and outstanding Common Stock on Fully Diluted basis.

“Convertible Security” means evidences of indebtedness, shares of stock, rights or other securities (including, but not limited to options, warrants, and other rights for the purchase or other acquisition of Common Stock) which are directly or indirectly convertible, exercisable or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the onset of a specified date or the happening of a specified event.

“Ex-Dividend Date” means the first date on which shares of the Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Class A Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

“Fair Market Value” means, as of any particular date (i) the closing sales price of the Class A Common Stock for such date on the Trading Market on which the Class A Common Stock is at the time be listed, (ii) if there have been no sales of the Class A Common Stock on such Trading Market on any such date, the average of the highest bid and lowest asked prices for the Class A Common Stock on the Trading Market at the end of such date, (iii) if on any such day the Class A Common Stock is not listed on a national securities exchange, the closing sales price of the Common Stock as quoted on the OTC for such date, (iv) if there have been no sales of the Class A Common Stock on the OTC on such date, the average of the highest bid and lowest asked prices for the Class A Common Stock quoted on the OTC at the end of such date or (v) if at any time the Class A Common Stock is not listed on any domestic securities exchange or quoted on the OTC, the fair market value per share as determined in good faith by the Board of Directors; provided, with respect to clause (v) the Holder is entitled to object to the fair market value per share determined by the Board of Directors and require, at the Company’s sole expense, such determination to be made by a nationally recognized investment banking, accounting or valuation firm that is reasonably acceptable to the Board of Directors.

“Fully Diluted” means, with respect to the Common Stock, as of a particular time the total outstanding shares of Common Stock as of such time, determined by treating all outstanding Convertible Securities (regardless of whether such Convertible Securities are at such time exercisable, convertible or exchangeable) as having been exercised, converted or exchanged (including the exercise, conversion or exchange of Convertible Securities underlying any such Convertible Securities, giving effect to any applicable caps on conversion).

“OTC” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic interdealer quotation system, the OTC Markets Group Inc. electronic interdealer quotation system, including OTCQX, OTCQB and OTC Pink, or any similar quotation system or association.

“Long-Term Warrants” means the warrants designated as Long Term Tranche 1, Long Term Tranche 2, Long Term Tranche 3, Long Term Tranche 4 and Long Term Tranche 5 issued by the Company to the Holder on the Issuance Date.

“Party” means either Company or Holder, as applicable.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Product Integration” the meaning set forth in the Commercial Agreement.

“Product Integration Date” the meaning set forth in the Commercial Agreement.

“Reference Date” means the earlier of (x) the Product Integration Date or (y) non-completion of Phase 1 of the Product Integration within 18 months from the date hereof.

“Required Regulatory Approvals” means the following governmental and regulatory approvals, consents, order and waivers: (i) a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer or a disclaimer of affiliation (the “Delaware Filing”) with the Delaware Department of Insurance with respect to Root Property & Casualty Insurance Company, (ii) a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer or a disclaimer of affiliation (the “Ohio Filing”) and, together with the Delaware Filings and including biographical affidavits, background information, questionnaires, financial statements and information, structure of Purchaser and its Affiliates and any amendments thereof or supplements thereto to the extent required under the Requirements of Laws, the “Insurance Filings”) with the Ohio Department of Insurance with respect to Root Insurance Company and (iii) if the Company becomes subject to regulation in any additional jurisdictions and the Holder agrees to prepare and file any regulatory filings in such jurisdictions as may be required to acquire control of an insurance company in such jurisdictions.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Short-Term Warrants” means the three year warrants designated as Tranche 1, Tranche 2 and Tranche 3 issued by the Company to the Holder on the Issuance Date.

“Trading Day” means a day on which the Trading Market is open for trading. If the Class A Common Stock is not listed on any Trading Market, then “Trading Day” means “Business Day.”

“Trading Market” means the Nasdaq Global Select Market or the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

“Transfer” means to, directly or indirectly, (i) sell, offer to sell, contract to sell, sell or grant any option, right or warrant to purchase, purchase or acquire any option to sell, or otherwise dispose or transfer any security or (ii) enter into any total-return swap, derivative or any other similar agreement or any similar transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of such securities, whether any such swap, derivative or other similar transaction is to be settled by delivery of reference securities, other securities, in cash or otherwise.

“Transfer Agent” means the Company and any successor transfer agent of the Company.

Section 2. Exercise.

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time (i) on or after the Initial Exercise Date and on or before the Termination Date or (ii) any time following a Fundamental Transaction (as defined below) occurring before the Initial Exercise Date (but subject to Section 3(d)(ii)), in each case subject to the satisfaction of the Conditions to Exercise, by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(c)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise in the form determined by the Company pursuant to Section 2(b). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company; provided, however, that the Holder may surrender this Warrant and receive a new Warrant pursuant to Section 2(c)(ii) hereof. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within two Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. Subject to applicable law or regulation, the exercisability of the this Warrant shall not preclude the Holder from electing, in its sole discretion, to exercise or convert any other right, option, warrant, convertible stock or other security of the Company (and the exercisability of the such other right, option, warrant, convertible stock or other security of the Company shall not preclude the Holder from exercising this Warrant).

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$10.00 per share, subject to adjustment hereunder (the "Exercise Price"). The Exercise Price shall be payable by a cash payment to the Company of the Exercise Price by wire transfer of immediately available funds to an account designated in writing by the Company; provided, however, that the Company may cause the Holder to receive, or the Holder may elect to receive, upon such exercise the "net number" of shares of Common Stock, where the Company will withhold a number of Warrant Shares (subject to Section 2(c)(v) hereof) then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the date of the Notice of Exercise equal to such Exercise Price (a "Cashless Exercise").

(c) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by book entry position, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) two (2) Trading Days after delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrant Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant at any time prior to the expiration of the Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to deliver to the Holder the Warrant Shares pursuant to Section 2(c)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) Conditional Exercise. Notwithstanding the foregoing, if an exercise of all or any portion of this Warrant is to be made in connection with a Fundamental Transaction, such exercise may at the election of the Holder be conditioned upon the consummation of such Fundamental Transaction. If the exercise of this Warrant is conditioned upon the consummation of a Fundamental Transaction, the Warrant Share Delivery Date shall be the date of such consummation and such exercise shall be deemed to be effective immediately prior to such consummation.

(v) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii) Delayed Exercise. If at any time an exercise of the purchase rights represented by this Warrant would result in Holder and its Affiliates owning more than 34.9% of the Company's issued and outstanding Common Stock at the time of exercise, then the Company shall have the right to delay the Warrant Share Delivery Date in order to obtain any necessary consents from lenders or other creditors that, if not obtained, would result in a breach of, or event of default under, any credit agreement, note or similar agreement.

Section 3. Certain Adjustments.

(a) Adjustments.

(i) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides (including by way of stock split) outstanding shares of Common Stock into a larger number of shares, or (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(ii) Issuance of Rights, Options or Warrants. If the Company issues to all of the record holders of its Class A Common Stock any rights, options or warrants entitling them, to subscribe for or purchase shares of the Common Stock (the "Purchase Rights") at a price per share that is less than the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, then the Exercise Price shall be decreased based on the following formula:

$$EP1 = EP0 \times ((OS0 + Y) \div (OS0 + X))$$

where,

"EP0" means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"EP1" means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

"OS0" means the number of shares of Common Stock outstanding immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"X" means the total number of shares of Common Stock issuable pursuant to such rights, options or warrants; and

"Y" means the number of shares of Common Stock equal to (i) the aggregate price payable to exercise such rights, options or warrants, divided by (ii) the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance.

Any decrease pursuant to this Section 3(a)(ii) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that shares of the Common Stock are not delivered after the expiration of such rights, options or warrants, the Exchange Price shall be increased to the Exchange Price that would then be in effect had the decrease in the exercise price been calculated on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, the Exchange Price shall be increased to the Exchange Rate that would then be in effect if such Ex-Dividend Date for such issuance had not occurred.

For purposes of this Section 3(a)(ii), in determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase shares of the Common Stock at a price per share that is less than such average of the Fair Market Value of the Common Stock for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors in good faith.

(iii) Distribution Transactions. If the Company distributes shares of its capital stock, evidences of its indebtedness, other assets or property or rights, options or warrants to acquire its Capital Stock or other securities, to all holders of record of the Class A Common Stock, excluding (a) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 3(a)(i) or Section 3(a)(ii), (b) dividends or distributions paid exclusively in cash (subject to Section 3(a)(iv)), (c) distributions in a transaction described in Section 3(b); and (d) Spin-Offs as to which the provisions set forth below in the second paragraph of this Section 3(a)(iii) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the "Distributed Property"), then the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - FMV) \div SP_0)$$

where,

"EP₀" means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such distribution;

"EP₁" means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

"SP₀" means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading-Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

"FMV" means the fair market value (as determined by the Board of Directors) of the Distributed Property distributed with respect to each outstanding share of the Class A Common Stock on the Ex-Dividend Date for such distribution.

Any decrease made under the portion of this Section 3(a)(iii) above shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such dividend or distribution is not so paid, the Exercise Price shall be reset, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive at the same time and upon the same terms as holders of the Common Stock receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder had exercised this Warrant in full prior the distribution. If the Board of Directors determines the “FMV” (as defined above) of any distribution for purposes of this Section 3(a)(iii) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the Fair Market Value of the Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution. If the Company issues rights, options or warrants that are only exercisable upon the occurrence of certain triggering events, then the Company will not adjust the Exercise Price pursuant to the foregoing in this Section 3(a)(iii) until the earliest of these triggering events occurs, and the Company will readjust the Exercise Price to the extent any of these rights, options or warrants are not exercised before they expire; provided that the rights, options or warrants trade together with the Class A Common Stock and will be issued in respect of future issuances of the shares of the Class A Common Stock.

With respect to an adjustment pursuant to this Section 3(a)(iii) where there has been a payment of a dividend or other distribution on the Class A Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “Spin-Off”), the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times (MP_0 \div (FMV + MP_0))$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the close of business on the Effective Date of the Spin-Off;

“EP₁” means the Exercise Price in effect immediately after the close of business on the Effective Date of the Spin-Off;

“FMV” means the average Fair Market Value of the Capital Stock or similar equity interest distributed to holders of the Class A Common Stock applicable to one share of the Common Stock (determined by reference to the definition of Fair Market Value as if references therein to Common Stock were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the first day that the Spin-Off stock begins trading regular-way (the “Valuation Period”); and

“MP₀” means the average Fair Market Value of the Class A Common Stock over the Valuation Period.

The adjustment to the Exercise Price under the preceding paragraph will be calculated as of the open of business on the last Trading Day of the Valuation Period, but shall be given effect as of the close of business on the Effective Date of the Spin-Off. If the Warrant Share Delivery Date occurs during the related Valuation Period, the Company will pay or deliver, as the case may be, the cash, shares of its Class A Common Stock or a combination of cash and shares of its Common Stock, if any, on the third Business Day immediately following the last day of the Valuation Period, and the Person in whose name any shares of Class A Common Stock delivered upon conversion is registered shall be treated as a stockholder of record as of the close of business on the last Trading Day of the Valuation Period. If any distribution of the type described in this Section 3(a)(iii) is declared but not so made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to make such distribution, to the conversion rate that would then be in effect if such distribution had not been declared.

(iv) Cash Dividends. If any cash dividend or distribution is made to all holders of record of the Class A Common Stock, the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - C) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

“C” means the amount in cash per share the Company distributes to all or substantially all holders of its Class A Common Stock.

Any decrease pursuant to this Section 3(a)(iv) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Exercise Price shall be increased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive, at the same time and upon the same terms as holders of shares of the Class A Common Stock, the amount of cash that such Holder would have received if such Holder had exercised this Warrant in full prior the dividend or distribution.

(b) Fundamental Transaction. If, at any time while this Warrant is outstanding, subject to Section 3(d)(ii), (i) a Company Sale occurs or (ii) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder in its sole discretion, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Class A Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Class A Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Class A Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event that the Company elects to provide the Holder with a Sale Notice for a proposed Company Sale that would otherwise be considered a Fundamental Transaction, as described below in Section 3(d)(ii), this Section 3(b) shall not apply to such proposed Company Sale.

(c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(d) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Sale Notice. Notwithstanding anything to the contrary set forth in this Warrant, in the event of a proposed Company Sale, the Company may elect to give written notice to the Holder of the proposed Company Sale and treatment of the Warrant under this Section 3(d)(ii) (a "Sale Notice"). If provided, the Sale Notice will include the definitive agreement relating to the Company Sale unless the Company is contractually prohibited from providing a copy of such draft, in which case the Sale Notice will include a description of the material terms of the proposed Company Sale in reasonable detail. The Sale Notice, if elected to be provided by the Company, shall be provided no less than fifteen (15) Business Days prior to the anticipated closing date of the Company Sale and shall specify that the exercise in connection therewith shall be a Cashless Exercise unless the Company and Holder have agreed in writing that such Holder will pay in cash the aggregate Exercise Price with respect to such exercise in lieu of Cashless Exercise. If the Company has delivered such Sales Notice, this Warrant shall be automatically deemed exercised immediately prior to the closing date of the Company Sale; provided, however, if (a) subject to the partial vesting provided for in the final sentence of this Section 3(d)(ii), the Conditions to Exercise have not been satisfied as of the date of the Sale Notice or (b) the calculations pursuant to Cashless Exercise would not result in an obligation to deliver any Warrant Shares to the Holder, then, in each case, this Warrant shall be deemed terminated without payment as of the date of the Sale Notice and the Holder shall have no further rights with respect thereto. Section 3(b) shall not apply in the event of a Sale Notice is delivered with respect to a Company Sale that would otherwise be considered a Fundamental Transaction.

(iii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock (other than a regular dividend that is publicly announced in advance), (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of

any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. The Holder may not directly or indirectly Transfer all or any part of this Warrant other than to (i) a direct or indirect wholly-owned subsidiary of Carvana Group, LLC and (ii) subject to the Company's prior written consent not to be unreasonably withheld, any affiliates of the Carvana Group, LLC (each of (i) and (ii), a "Permitted Transferee" and such Transfer, a "Permitted Transfer"); provided that (A) if the Holder and its Affiliates have used reasonable best efforts to obtain the Required Regulatory Approvals and such Required Regulatory Approvals are not obtained or (B) if any of the Required Regulatory Approvals are obtained but the approvals in connection therewith would impose a Burdensome Condition, then the Holder may transfer up to 5% of this Warrant and the underlying shares to a Person that is not an Permitted Transferee at the Holder's sole discretion, and, subject to the Company's prior written consent not to be unreasonably withheld (it being agreed that it shall not be unreasonable for the Company to withhold consent to any transfer that would require the registration of the Warrant (or any portion thereof), 5% or more of this Warrant and the underlying shares; provided, further: that (i) any transferee enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Warrant and the other restrictions contained in the Investment Agreement, dated August 11, 2021, by and among the Company and the Holder and (ii) following any partial transfer this Warrant shall remain exercisable only for all of the Warrant Shares by the Holders thereof subject to the Cap. Upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney, this Warrant may be Transferred to a Permitted Transferee. In the case of any Permitted Transfer to a Permitted Transferee, if any such Permitted Transferee thereafter ceases to satisfy the definition of a Permitted Transferee, such person will re-convey this Warrant to the transferor or to another

Permitted Transferee either (i) before such Person ceases to satisfy the definition of a Permitted Transferee, so long as such Person knows of its upcoming change of status prior thereto or (ii) if such change of status is not known until after its occurrence, then as soon as practicable after the earlier of such former Permitted Transferee receiving notice or having knowledge thereof. No purported Transfer of this Warrant will be effective if a purpose or effect of such purported Transfer is to circumvent the provisions of the Certificate of Incorporation, the Investment Agreement or this Warrant. The Holder shall, prior to or concurrently with any transfer of a Warrant, pay funds sufficient to pay any transfer taxes payable upon the making of such transfer.

(b) New Warrants. In connection with any Permitted Transfer, (i) this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney and (ii) the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial Issuance Date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise as set forth in Section 2(c)(i) (or, if applicable, such later date as contemplated by Section 2(c)(vii)).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of this Warrant, if mutilated, the Company will make and deliver a new Warrant of like tenor and dated as of such cancellation, in lieu of such Warrant.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Class A Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant, and, in the event the Holder becomes entitled to receive any other equity security of the Company (or security convertible into any other equity security of the Company) upon exercise of this Warrant, the Company will reserve a sufficient number of authorized but unissued shares of such equity securities to provide for the issuance of such equity securities upon exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Class A Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, (iv) will not create a new class of common stock of the Company, and (v) the Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. This Warrant, and all claims or causes of action (whether in contract, tort, statute or otherwise) that may be based upon, arising out of or relating to this Warrant or any of the transactions contemplated hereby or the negotiation, execution or performance of this Warrant (including any claim or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Warrant or as an inducement to enter into this Warrant), shall be governed by and construed in accordance with the internal laws of the State of Delaware, including its statute of limitations, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties

hereto agrees, with respect to any action arising out of or relating to this Warrant or the transactions contemplated hereby, (i) to submit to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in and for New Castle County, Delaware, (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such court and (iii) agrees that it will not bring any such action in any court other than the Court of Chancery for the State of Delaware in and for New Castle County, Delaware, or, if (and only if) such court finds it lacks subject matter jurisdiction, the federal court of the United States of America sitting in Delaware, and appellate courts thereof, or, if (and only if) each of such Court of Chancery for the State of Delaware and such federal court finds it lacks subject matter jurisdiction, any state court within the State of Delaware. Service of process, summons, notice or document to any party's address and in the manner set forth in this Section 5(h) shall be effective service of process for any such action.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 80 E. Rich Street, Suite 500, Columbus, OH 43215, Attention: Jon Allison, General Counsel, email address: legal@joinroot.com, or such other email address or address as the Company may specify for such purposes by notice to the Holder. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to the Holder at the e-mail address or address of the Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the Party to whom such notice is required to be given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Class A Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(o) Entire Agreement. This Agreement, the Commercial Agreement and the Investment Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede (i) all prior oral or written proposals or agreements, (ii) all contemporaneous oral proposals or agreements, and (iii) all previous negotiations and all other communications or understandings between the parties, in each case with respect to the subject matter hereof.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ROOT, INC. (“Company”)

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating Officer and Chief
Financial Officer

Agreed to and accepted as of the date first above indicated:

CARVANA GROUP, LLC (“Holder”)

By: /s/ Paul Breaux

Name: Paul Breaux

Title: Vice President, General Counsel and Secretary

NOTICE OF EXERCISE

TO: ROOT, INC.

(1) The undersigned hereby elects to purchase ___ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box)

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection (c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name (if such person is a Permitted Transferee), as is specified below.

The undersigned hereby represents and warrants as follows:

(a) the undersigned is acquiring such shares of Common Stock for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933, as amended, and the regulations promulgated thereunder (the "Securities Act"); and

(b) (i) the undersigned is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purposes of acquiring the Warrant or such shares of Common Stock or (ii) the undersigned is not a US Person as defined in Regulation S under the Securities Act, and the Warrant is not being exercised on behalf of a US Person. The undersigned's financial condition is such that it is able to bear the risk of holding such securities for an indefinite period of time and the risk of loss of its entire investment. The undersigned has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of investment in the Company.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number:

Email Address:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

SHORT-TERM COMMON STOCK PURCHASE WARRANT

ROOT, INC.

Short-Term Tranche 2

Warrant Shares: 57,794,119

Issuance Date: October 1, 2021

THIS SHORT-TERM COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, Carvana Group, LLC, a Delaware limited liability company, or its permitted successors or assigns (the “Holder”) is entitled, upon the terms and subject to the conditions hereinafter set forth, in whole or in part, at any time on or after the Reference Date (the “Initial Exercise Date”) through 5:00 p.m. (New York City time) on the third (3rd) anniversary of the Reference Date unless earlier terminated as provided herein (the “Termination Date”) but not thereafter, to subscribe for and purchase from Root, Inc., a Delaware corporation (the “Company”), subject to the satisfaction of the Conditions to Exercise, 57,794,119 shares (as subject to adjustment hereunder, the “Warrant Shares”) of Class A Common Stock, which represents the number of shares of Common Stock that would constitute 12.5% of all issued and outstanding shares of Common Stock on a Fully Diluted basis as of August 11, 2021, assuming that the Holder has exercised all Warrants on a cash basis. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b) below.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Burdensome Condition” means an obligation take or refrain from taking or agreeing to its, its Affiliates or its or their Subsidiaries obligation to take or refrain from taking any action (including any amendment, waiver or termination of any agreement, exhibit or schedule, including this Warrants, the Investment Agreement, the Certificate of Designations, and the Commercial Agreement and the exhibits and schedules hereto or thereto) or to suffer to exist any limitation, action, restriction, condition or requirement which, individually or together with all other such limitations, actions, restrictions, conditions or requirements, that would, or would reasonably be expected to, have (i) a material adverse effect on the business, financial condition, assets and liabilities (considered together), operations or results of operations of Holder and its Affiliates or Subsidiaries, taken as a whole, or (ii) a material adverse effect on the aggregate economic benefits, taken as a whole, that, as of the date hereof, the Holder would reasonably be expected to obtain from the transactions contemplated by this Warrant.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company.

“Cap” means 29.9% of all issued and outstanding shares of Class A Common Stock on a Fully Diluted basis as of the Issuance date, assuming all Warrants owned by the Holder have been exercised on a cash basis.

“Carvana Group, LLC Warrants” means the Short-Term Warrants and the Long-Term Warrants.

“Class A Common Stock” means the Class A common stock of the Company, par value \$0.0001.

“Class B Common Stock” means the Class B common stock of the Company, par value \$0.0001.

“Commercial Agreement” means the Commercial Agreement entered into on the date hereof by the Company and the Holder.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the Class A Common Stock and the Class B Common Stock.

“Company Sale” means any merger, consolidation, or other business combination of the Company with an entity that is not an Affiliate of the Company that results in the stockholders of the Company immediately prior to such transaction being the beneficial owners of less than 50% of the equity securities of the successor or surviving company.

“Company Policies” has the meaning set forth in the Commercial Agreement.

“Conditions to Exercise” means that each of the following conditions have been met: (i) (a) the receipt of approval from the Delaware Insurance Commissioner of a Form A Filing and Pre-Acquisition Application pursuant to Delaware Insurance Code section 5003, or approval from the Delaware Insurance Commissioner of a disclaimer of affiliation, (b) the receipt of approval from the Ohio Director of Insurance of a Form A Filing pursuant to Ohio Insurance Code section 3901.321, or approval from the Ohio Director of Insurance of a disclaimer of affiliation and (c) any other consent, waiver or approval of any Governmental Authority that regulates insurance that is required by applicable Law; (ii) any required waiting period applicable to the Investment under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (and the rules and regulations promulgated thereunder) (the “HSR Act”), and any agreement between the parties, on the one hand, and the United States Department of Justice or the United States Federal Trade Commission, on the other hand, that prohibits the consummation of the Investment, shall have been terminated or shall have expired; (iii) the cumulative number of Company Policies issued exceeds 50,000; and (iv) upon exercise of this Warrant, (A) the aggregate number of shares of Common Stock the Company shall have issued under all Carvana Group, LLC Warrants does not exceed the Cap; provided, that the Cap shall be adjusted proportionately downward to reflect the effect of one of more issuances based on Cashless Exercise of any Warrant, and (B) after giving pro forma effect to such exercise, and subject to Section 2(c)(vii), the Holder and its controlled affiliates do not directly own more than 34.9% of the Company’s issued and outstanding Common Stock on Fully Diluted basis.

“Convertible Security” means evidences of indebtedness, shares of stock, rights or other securities (including, but not limited to options, warrants, and other rights for the purchase or other acquisition of Common Stock) which are directly or indirectly convertible, exercisable or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the onset of a specified date or the happening of a specified event.

“Ex-Dividend Date” means the first date on which shares of the Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Class A Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

“Fair Market Value” means, as of any particular date (i) the closing sales price of the Class A Common Stock for such date on the Trading Market on which the Class A Common Stock is at the time be listed, (ii) if there have been no sales of the Class A Common Stock on such Trading Market on any such date, the average of the highest bid and lowest asked prices for the Class A Common Stock on the Trading Market at the end of such date, (iii) if on any such day the Class A Common Stock is not listed on a national securities exchange, the closing sales price of the Common Stock as quoted on the OTC for such date, (iv) if there have been no sales of the Class A Common Stock on the OTC on such date, the average of the highest bid and lowest asked prices for the Class A Common Stock quoted on the OTC at the end of such date or (v) if at any time the Class A Common Stock is not listed on any domestic securities exchange or quoted on the OTC, the fair market value per share as determined in good faith by the Board of Directors; provided, with respect to clause (v) the Holder is entitled to object to the fair market value per share determined by the Board of Directors and require, at the Company’s sole expense, such determination to be made by a nationally recognized investment banking, accounting or valuation firm that is reasonably acceptable to the Board of Directors.

“Fully Diluted” means, with respect to the Common Stock, as of a particular time the total outstanding shares of Common Stock as of such time, determined by treating all outstanding Convertible Securities (regardless of whether such Convertible Securities are at such time exercisable, convertible or exchangeable) as having been exercised, converted or exchanged (including the exercise, conversion or exchange of Convertible Securities underlying any such Convertible Securities, giving effect to any applicable caps on conversion).

“OTC” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic interdealer quotation system, the OTC Markets Group Inc. electronic interdealer quotation system, including OTCQX, OTCQB and OTC Pink, or any similar quotation system or association.

“Long-Term Warrants” means the warrants designated as Long Term Tranche 1, Long Term Tranche 2, Long Term Tranche 3, Long Term Tranche 4 and Long Term Tranche 5 issued by the Company to the Holder on the Issuance Date.

“Party” means either Company or Holder, as applicable.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Product Integration” the meaning set forth in the Commercial Agreement.

“Product Integration Date” the meaning set forth in the Commercial Agreement.

“Reference Date” means the earlier of (x) the Product Integration Date or (y) non-completion of Phase 1 of the Product Integration within 18 months from the date hereof.

“Required Regulatory Approvals” means the following governmental and regulatory approvals, consents, order and waivers: (i) a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer or a disclaimer of affiliation (the “Delaware Filing”) with the Delaware Department of Insurance with respect to Root Property & Casualty Insurance Company, (ii) a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer or a disclaimer of affiliation (the “Ohio Filing”) and, together with the Delaware Filings and including biographical affidavits, background information, questionnaires, financial statements and information, structure of Purchaser and its Affiliates and any amendments thereof or supplements thereto to the extent required under the Requirements of Laws, the “Insurance Filings”) with the Ohio Department of Insurance with respect to Root Insurance Company and (iii) if the Company becomes subject to regulation in any additional jurisdictions and the Holder agrees to prepare and file any regulatory filings in such jurisdictions as may be required to acquire control of an insurance company in such jurisdictions.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Short-Term Warrants” means the three year warrants designated as Tranche 1, Tranche 2 and Tranche 3 issued by the Company to the Holder on the Issuance Date.

“Trading Day” means a day on which the Trading Market is open for trading. If the Class A Common Stock is not listed on any Trading Market, then “Trading Day” means “Business Day.”

“Trading Market” means the Nasdaq Global Select Market or the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

“Transfer” means to, directly or indirectly, (i) sell, offer to sell, contract to sell, sell or grant any option, right or warrant to purchase, purchase or acquire any option to sell, or otherwise dispose or transfer any security or (ii) enter into any total-return swap, derivative or any other similar agreement or any similar transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of such securities, whether any such swap, derivative or other similar transaction is to be settled by delivery of reference securities, other securities, in cash or otherwise.

“Transfer Agent” means the Company and any successor transfer agent of the Company.

Section 2. Exercise.

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time (i) on or after the Initial Exercise Date and on or before the Termination Date or (ii) any time following a Fundamental Transaction (as defined below) occurring before the Initial Exercise Date (but subject to Section 3(d)(ii)), in each case subject to the satisfaction of the Conditions to Exercise, by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(c)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise in the form determined by the Company pursuant to Section 2(b). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company; provided, however, that the Holder may surrender this Warrant and receive a new Warrant pursuant to Section 2(c)(ii) hereof. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within two Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. Subject to applicable law or regulation, the exercisability of the this Warrant shall not preclude the Holder from electing, in its sole discretion, to exercise or convert any other right, option, warrant, convertible stock or other security of the Company (and the exercisability of the such other right, option, warrant, convertible stock or other security of the Company shall not preclude the Holder from exercising this Warrant).

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$11.00 per share, subject to adjustment hereunder (the "Exercise Price"). The Exercise Price shall be payable by a cash payment to the Company of the Exercise Price by wire transfer of immediately available funds to an account designated in writing by the Company; provided, however, that the Company may cause the Holder to receive, or the Holder may elect to receive, upon such exercise the "net number" of shares of Common Stock, where the Company will withhold a number of Warrant Shares (subject to Section 2(c)(v) hereof) then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the date of the Notice of Exercise equal to such Exercise Price (a "Cashless Exercise").

(c) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by book entry position, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) two (2) Trading Days after delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrant Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant at any time prior to the expiration of the Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to deliver to the Holder the Warrant Shares pursuant to Section 2(c)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) Conditional Exercise. Notwithstanding the foregoing, if an exercise of all or any portion of this Warrant is to be made in connection with a Fundamental Transaction, such exercise may at the election of the Holder be conditioned upon the consummation of such Fundamental Transaction. If the exercise of this Warrant is conditioned upon the consummation of a Fundamental Transaction, the Warrant Share Delivery Date shall be the date of such consummation and such exercise shall be deemed to be effective immediately prior to such consummation.

(v) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii) Delayed Exercise. If at any time an exercise of the purchase rights represented by this Warrant would result in Holder and its Affiliates owning more than 34.9% of the Company's issued and outstanding Common Stock at the time of exercise, then the Company shall have the right to delay the Warrant Share Delivery Date in order to obtain any necessary consents from lenders or other creditors that, if not obtained, would result in a breach of, or event of default under, any credit agreement, note or similar agreement.

Section 3. Certain Adjustments.

(a) Adjustments.

(i) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides (including by way of stock split) outstanding shares of Common Stock into a larger number of shares, or (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(ii) Issuance of Rights, Options or Warrants. If the Company issues to all of the record holders of its Class A Common Stock any rights, options or warrants entitling them, to subscribe for or purchase shares of the Common Stock (the "Purchase Rights") at a price per share that is less than the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, then the Exercise Price shall be decreased based on the following formula:

$$EP1 = EP0 \times ((OS0 + Y) \div (OS0 + X))$$

where,

"EP0" means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"EP1" means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

"OS0" means the number of shares of Common Stock outstanding immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"X" means the total number of shares of Common Stock issuable pursuant to such rights, options or warrants; and

"Y" means the number of shares of Common Stock equal to (i) the aggregate price payable to exercise such rights, options or warrants, divided by (ii) the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance.

Any decrease pursuant to this Section 3(a)(ii) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that shares of the Common Stock are not delivered after the expiration of such rights, options or warrants, the Exchange Price shall be increased to the Exchange Price that would then be in effect had the decrease in the exercise price been calculated on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, the Exchange Price shall be increased to the Exchange Rate that would then be in effect if such Ex-Dividend Date for such issuance had not occurred.

For purposes of this Section 3(a)(ii), in determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase shares of the Common Stock at a price per share that is less than such average of the Fair Market Value of the Common Stock for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors in good faith.

(iii) Distribution Transactions. If the Company distributes shares of its capital stock, evidences of its indebtedness, other assets or property or rights, options or warrants to acquire its Capital Stock or other securities, to all holders of record of the Class A Common Stock, excluding (a) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 3(a)(i) or Section 3(a)(ii), (b) dividends or distributions paid exclusively in cash (subject to Section 3(a)(iv)), (c) distributions in a transaction described in Section 3(b); and (d) Spin-Offs as to which the provisions set forth below in the second paragraph of this Section 3(a)(iii) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the “Distributed Property”), then the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - FMV) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading-Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

“FMV” means the fair market value (as determined by the Board of Directors) of the Distributed Property distributed with respect to each outstanding share of the Class A Common Stock on the Ex-Dividend Date for such distribution.

Any decrease made under the portion of this Section 3(a)(iii) above shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such dividend or distribution is not so paid, the Exercise Price shall be reset, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive at the same time and upon the same terms as holders of the Common Stock receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder had exercised this Warrant in full prior the distribution. If the Board of Directors determines the “FMV” (as defined above) of any distribution for purposes of this Section 3(a)(iii) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the Fair Market Value of the Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution. If the Company issues rights, options or warrants that are only exercisable upon the occurrence of certain triggering events, then the Company will not adjust the Exercise Price pursuant to the foregoing in this Section 3(a)(iii) until the earliest of these triggering events occurs, and the Company will readjust the Exercise Price to the extent any of these rights, options or warrants are not exercised before they expire; provided that the rights, options or warrants trade together with the Class A Common Stock and will be issued in respect of future issuances of the shares of the Class A Common Stock.

With respect to an adjustment pursuant to this Section 3(a)(iii) where there has been a payment of a dividend or other distribution on the Class A Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “Spin-Off”), the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times (MP_0 \div (FMV + MP_0))$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the close of business on the Effective Date of the Spin-Off;

“EP₁” means the Exercise Price in effect immediately after the close of business on the Effective Date of the Spin-Off;

“FMV” means the average Fair Market Value of the Capital Stock or similar equity interest distributed to holders of the Class A Common Stock applicable to one share of the Common Stock (determined by reference to the definition of Fair Market Value as if references therein to Common Stock were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the first day that the Spin-Off stock begins trading regular-way (the “Valuation Period”); and

“MP₀” means the average Fair Market Value of the Class A Common Stock over the Valuation Period.

The adjustment to the Exercise Price under the preceding paragraph will be calculated as of the open of business on the last Trading Day of the Valuation Period, but shall be given effect as of the close of business on the Effective Date of the Spin-Off. If the Warrant Share Delivery Date occurs during the related Valuation Period, the Company will pay or deliver, as the case may be, the cash, shares of its Class A Common Stock or a combination of cash and shares of its Common Stock, if any, on the third Business Day immediately following the last day of the Valuation Period, and the Person in whose name any shares of Class A Common Stock delivered upon conversion is registered shall be treated as a stockholder of record as of the close of business on the last Trading Day of the Valuation Period. If any distribution of the type described in this Section 3(a)(iii) is declared but not so made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to make such distribution, to the conversion rate that would then be in effect if such distribution had not been declared.

(iv) Cash Dividends. If any cash dividend or distribution is made to all holders of record of the Class A Common Stock, the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - C) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

“C” means the amount in cash per share the Company distributes to all or substantially all holders of its Class A Common Stock.

Any decrease pursuant to this Section 3(a)(iv) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Exercise Price shall be increased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive, at the same time and upon the same terms as holders of shares of the Class A Common Stock, the amount of cash that such Holder would have received if such Holder had exercised this Warrant in full prior the dividend or distribution.

(b) Fundamental Transaction. If, at any time while this Warrant is outstanding, subject to Section 3(d)(ii), (i) a Company Sale occurs or (ii) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder in its sole discretion, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Class A Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Class A Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Class A Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event that the Company elects to provide the Holder with a Sale Notice for a proposed Company Sale that would otherwise be considered a Fundamental Transaction, as described below in Section 3(d)(ii), this Section 3(b) shall not apply to such proposed Company Sale.

(c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(d) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Sale Notice. Notwithstanding anything to the contrary set forth in this Warrant, in the event of a proposed Company Sale, the Company may elect to give written notice to the Holder of the proposed Company Sale and treatment of the Warrant under this Section 3(d)(ii) (a "Sale Notice"). If provided, the Sale Notice will include the definitive agreement relating to the Company Sale unless the Company is contractually prohibited from providing a copy of such draft, in which case the Sale Notice will include a description of the material terms of the proposed Company Sale in reasonable detail. The Sale Notice, if elected to be provided by the Company, shall be provided no less than fifteen (15) Business Days prior to the anticipated closing date of the Company Sale and shall specify that the exercise in connection therewith shall be a Cashless Exercise unless the Company and Holder have agreed in writing that such Holder will pay in cash the aggregate Exercise Price with respect to such exercise in lieu of Cashless Exercise. If the Company has delivered such Sales Notice, this Warrant shall be automatically deemed exercised immediately prior to the closing date of the Company Sale; provided, however, if (a) subject to the partial vesting provided for in the final sentence of this Section 3(d)(ii), the Conditions to Exercise have not been satisfied as of the date of the Sale Notice or (b) the calculations pursuant to Cashless Exercise would not result in an obligation to deliver any Warrant Shares to the Holder, then, in each case, this Warrant shall be deemed terminated without payment as of the date of the Sale Notice and the Holder shall have no further rights with respect thereto. Section 3(b) shall not apply in the event of a Sale Notice is delivered with respect to a Company Sale that would otherwise be considered a Fundamental Transaction. For purposes of this Section 3(d)(ii), in the event that the Conditions to Exercise specified in clause (iii) of the definition thereof have not been fully satisfied, but the Conditions to Exercise in Short Term Warrant Tranche 1 have been satisfied in full, then this Warrant shall partially vest in connection with such Company Sale by multiplying the number of Warrant Shares by a fraction, the numerator of which is the cumulative number of Company Policies issued through the date of such Company Sale and the denominator of which is the number of Company Policies issued set forth in clause (iii) of the definition of Conditions to Exercise.

(iii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock (other than a regular dividend that is publicly announced in advance), (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. The Holder may not directly or indirectly Transfer all or any part of this Warrant other than to (i) a direct or indirect wholly-owned subsidiary of Carvana Group, LLC and (ii) subject to the Company's prior written consent not to be unreasonably withheld, any affiliates of the Carvana Group, LLC (each of (i) and (ii), a "Permitted Transferee" and such Transfer, a "Permitted Transfer"); provided that (A) if the Holder and its Affiliates have used reasonable best efforts to obtain the Required Regulatory Approvals and such Required Regulatory Approvals are not obtained or (B) if any of the Required Regulatory Approvals are obtained but the approvals in connection therewith would impose a Burdensome Condition, then the Holder may transfer up to 5% of this Warrant and the underlying shares to a Person that is not an Permitted Transferee at the Holder's sole discretion, and, subject to the Company's prior written consent not to be unreasonably withheld (it being agreed that it shall not be unreasonable for the Company to withhold consent to any transfer that would require the registration of the Warrant (or any portion thereof), 5% or more of this Warrant and the underlying shares; provided, further: that (i) any transferee enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Warrant and the other restrictions contained in the Investment Agreement, dated August 11, 2021, by and among the Company and the Holder and (ii) following any partial transfer this Warrant shall remain exercisable only for all of the Warrant Shares by the

Holders thereof subject to the Cap. Upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney, this Warrant may be Transferred to a Permitted Transferee. In the case of any Permitted Transfer to a Permitted Transferee, if any such Permitted Transferee thereafter ceases to satisfy the definition of a Permitted Transferee, such person will re-convey this Warrant to the transferor or to another Permitted Transferee either (i) before such Person ceases to satisfy the definition of a Permitted Transferee, so long as such Person knows of its upcoming change of status prior thereto or (ii) if such change of status is not known until after its occurrence, then as soon as practicable after the earlier of such former Permitted Transferee receiving notice or having knowledge thereof. No purported Transfer of this Warrant will be effective if a purpose or effect of such purported Transfer is to circumvent the provisions of the Certificate of Incorporation, the Investment Agreement or this Warrant. The Holder shall, prior to or concurrently with any transfer of a Warrant, pay funds sufficient to pay any transfer taxes payable upon the making of such transfer.

(b) New Warrants. In connection with any Permitted Transfer, (i) this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney and (ii) the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial Issuance Date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise as set forth in Section 2(c)(i) (or, if applicable, such later date as contemplated by Section 2(c)(vii)).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of this Warrant, if mutilated, the Company will make and deliver a new Warrant of like tenor and dated as of such cancellation, in lieu of such Warrant.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Class A Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant, and, in the event the Holder becomes entitled to receive any other equity security of the Company (or security convertible into any other equity security of the Company) upon exercise of this Warrant, the Company will reserve a sufficient number of authorized but unissued shares of such equity securities to provide for the issuance of such equity securities upon exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Class A Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, (iv) will not create a new class of common stock of the Company, and (v) the Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. This Warrant, and all claims or causes of action (whether in contract, tort, statute or otherwise) that may be based upon, arising out of or relating to this Warrant or any of the transactions contemplated hereby or the negotiation, execution or performance of this Warrant (including any claim or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Warrant or as an inducement to enter into this Warrant), shall be governed by and construed in accordance with the internal laws of the State of Delaware, including its statute of limitations, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties hereto agrees, with respect to any action arising out of or relating to this Warrant or the transactions contemplated hereby, (i) to submit to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in and for New Castle County, Delaware, (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such court and (iii) agrees that it will not bring any such action in any court other than the Court of Chancery for the State of Delaware in and for New Castle County, Delaware, or, if (and only if) such court finds it lacks subject matter jurisdiction, the federal court of the United States of America sitting in Delaware, and appellate courts thereof, or, if (and only if) each of such Court of Chancery for the State of Delaware and such federal court finds it lacks subject matter jurisdiction, any state court within the State of Delaware. Service of process, summons, notice or document to any party's address and in the manner set forth in this Section 5(h) shall be effective service of process for any such action.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 80 E. Rich Street, Suite 500, Columbus, OH 43215, Attention: Jon Allison, General Counsel, email address: legal@joinroot.com, or such other email address or address as the Company may specify for such purposes by notice to the Holder. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to the Holder at the e-mail address or address of the Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the Party to whom such notice is required to be given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Class A Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(o) Entire Agreement. This Agreement, the Commercial Agreement and the Investment Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede (i) all prior oral or written proposals or agreements, (ii) all contemporaneous oral proposals or agreements, and (iii) all previous negotiations and all other communications or understandings between the parties, in each case with respect to the subject matter hereof.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ROOT, INC. (“Company”)

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating
Officer and Chief Financial Officer

Agreed to and accepted as of the date first above indicated:

CARVANA GROUP, LLC (“Holder”)

By: /s/ Paul Breaux

Name: Paul Breaux

Title: Vice President, General Counsel and Secretary

NOTICE OF EXERCISE

TO: ROOT, INC.

(1) The undersigned hereby elects to purchase __ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box)

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection (c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name (if such person is a Permitted Transferee) as is specified below.

The undersigned hereby represents and warrants as follows:

(a) the undersigned is acquiring such shares of Common Stock for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933, as amended, and the regulations promulgated thereunder (the “Securities Act”); and

(b) (i) the undersigned is an “accredited investor” as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purposes of acquiring the Warrant or such shares of Common Stock or (ii) the undersigned is not a US Person as defined in Regulation S under the Securities Act, and the Warrant is not being exercised on behalf of a US Person. The undersigned’s financial condition is such that it is able to bear the risk of holding such securities for an indefinite period of time and the risk of loss of its entire investment. The undersigned has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of investment in the Company.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number:

Email Address:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

SHORT-TERM COMMON STOCK PURCHASE WARRANT

ROOT, INC.

Short-Term Tranche 3

Warrant Shares: 28,710,627

Issuance Date: October 1, 2021

THIS SHORT-TERM COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, Carvana Group, LLC, a Delaware limited liability company, or its permitted successors or assigns (the “Holder”) is entitled, upon the terms and subject to the conditions hereinafter set forth, in whole or in part, at any time on or after the Reference Date (the “Initial Exercise Date”) through 5:00 p.m. (New York City time) on the third (3rd) anniversary of the Reference Date unless earlier terminated as provided herein (the “Termination Date”) but not thereafter, to subscribe for and purchase from Root, Inc., a Delaware corporation (the “Company”), subject to the satisfaction of the Conditions to Exercise, 28,710,627 shares (as subject to adjustment hereunder, the “Warrant Shares”) of Class A Common Stock, which represents the number of shares of Common Stock that would constitute 4.9% of all issued and outstanding shares of Common Stock on a Fully Diluted basis as of August 11, 2021, assuming that the Holder has exercised all Warrants on a cash basis. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b) below.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Burdensome Condition” means an obligation take or refrain from taking or agreeing to its, its Affiliates or its or their Subsidiaries obligation to take or refrain from taking any action (including any amendment, waiver or termination of any agreement, exhibit or schedule, including this Warrants, the Investment Agreement, the Certificate of Designations, and the Commercial Agreement and the exhibits and schedules hereto or thereto) or to suffer to exist any limitation, action, restriction, condition or requirement which, individually or together with all other such limitations, actions, restrictions, conditions or requirements, that would, or would reasonably be expected to, have (i) a material adverse effect on the business, financial condition, assets and liabilities (considered together), operations or results of operations of Holder and its Affiliates or Subsidiaries, taken as a whole, or (ii) a material adverse effect on the aggregate economic benefits, taken as a whole, that, as of the date hereof, the Holder would reasonably be expected to obtain from the transactions contemplated by this Warrant.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company.

“Cap” means 29.9% of all issued and outstanding shares of Class A Common Stock on a Fully Diluted basis as of the Issuance date, assuming all Warrants owned by the Holder have been exercised on a cash basis.

“Carvana Group, LLC Warrants” means the Short-Term Warrants and the Long-Term Warrants.

“Class A Common Stock” means the Class A common stock of the Company, par value \$0.0001.

“Class B Common Stock” means the Class B common stock of the Company, par value \$0.0001.

“Commercial Agreement” means the Commercial Agreement entered into on the date hereof by the Company and the Holder.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the Class A Common Stock and the Class B Common Stock.

“Company Sale” means any merger, consolidation, or other business combination of the Company with an entity that is not an Affiliate of the Company that results in the stockholders of the Company immediately prior to such transaction being the beneficial owners of less than 50% of the equity securities of the successor or surviving company.

“Company Policies” has the meaning set forth in the Commercial Agreement.

“Conditions to Exercise” means that each of the following conditions have been met: (i) (a) the receipt of approval from the Delaware Insurance Commissioner of a Form A Filing and Pre-Acquisition Application pursuant to Delaware Insurance Code section 5003, or approval from the Delaware Insurance Commissioner of a disclaimer of affiliation, (b) the receipt of approval from the Ohio Director of Insurance of a Form A Filing pursuant to Ohio Insurance Code section 3901.321, or approval from the Ohio Director of Insurance of a disclaimer of affiliation and (c) any other consent, waiver or approval of any Governmental Authority that regulates insurance that is required by applicable Law; (ii) any required waiting period applicable to the Investment under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (and the rules and regulations promulgated thereunder) (the “HSR Act”), and any agreement between the parties, on the one hand, and the United States Department of Justice or the United States Federal Trade Commission, on the other hand, that prohibits the consummation of the Investment, shall have been terminated or shall have expired; (iii) the cumulative number of Company Policies issued exceeds 75,000; and (iv) upon exercise of this Warrant, (A) the aggregate number of shares of Common Stock the Company shall have issued under all Carvana Group, LLC Warrants does not exceed the Cap; provided, that the Cap shall be adjusted proportionately downward to reflect the effect of one of more issuances based on Cashless Exercise of any Warrant, and (B) after giving pro forma effect to such exercise, and subject to Section 2(c)(vii), the Holder and its controlled affiliates do not directly own more than 34.9% of the Company’s issued and outstanding Common Stock on Fully Diluted basis.

“Convertible Security” means evidences of indebtedness, shares of stock, rights or other securities (including, but not limited to options, warrants, and other rights for the purchase or other acquisition of Common Stock) which are directly or indirectly convertible, exercisable or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the onset of a specified date or the happening of a specified event.

“Ex-Dividend Date” means the first date on which shares of the Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Class A Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market

“Fair Market Value” means, as of any particular date (i) the closing sales price of the Class A Common Stock for such date on the Trading Market on which the Class A Common Stock is at the time be listed, (ii) if there have been no sales of the Class A Common Stock on such Trading Market on any such date, the average of the highest bid and lowest asked prices for the Class A Common Stock on the Trading Market at the end of such date, (iii) if on any such day the Class A Common Stock is not listed on a national securities exchange, the closing sales price of the Common Stock as quoted on the OTC for such date, (iv) if there have been no sales of the Class A Common Stock on the OTC on such date, the average of the highest bid and lowest asked prices for the Class A Common Stock quoted on the OTC at the end of such date or (v) if at any time the Class A Common Stock is not listed on any domestic securities exchange or quoted on the OTC, the fair market value per share as determined in good faith by the Board of Directors; provided, with respect to clause (v) the Holder is entitled to object to the fair market value per share determined by the Board of Directors and require, at the Company’s sole expense, such determination to be made by a nationally recognized investment banking, accounting or valuation firm that is reasonably acceptable to the Board of Directors.

“Fully Diluted” means, with respect to the Common Stock, as of a particular time the total outstanding shares of Common Stock as of such time, determined by treating all outstanding Convertible Securities (regardless of whether such Convertible Securities are at such time exercisable, convertible or exchangeable) as having been exercised, converted or exchanged (including the exercise, conversion or exchange of Convertible Securities underlying any such Convertible Securities, giving effect to any applicable caps on conversion).

“OTC” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic interdealer quotation system, the OTC Markets Group Inc. electronic interdealer quotation system, including OTCQX, OTCQB and OTC Pink, or any similar quotation system or association.

“Long-Term Warrants” means the warrants designated as Long Term Tranche 1, Long Term Tranche 2, Long Term Tranche 3, Long Term Tranche 4 and Long Term Tranche 5 issued by the Company to the Holder on the Issuance Date.

“Party” means either Company or Holder, as applicable.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Product Integration” the meaning set forth in the Commercial Agreement.

“Product Integration Date” the meaning set forth in the Commercial Agreement.

“Reference Date” means the earlier of (x) the Product Integration Date or (y) non-completion of Phase 1 of the Product Integration within 18 months from the date hereof.

“Required Regulatory Approvals” means the following governmental and regulatory approvals, consents, order and waivers: (i) a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer or a disclaimer of affiliation (the “Delaware Filing”) with the Delaware Department of Insurance with respect to Root Property & Casualty Insurance Company, (ii) a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer or a disclaimer of affiliation (the “Ohio Filing”) and, together with the Delaware Filings and including biographical affidavits, background information, questionnaires, financial statements and information, structure of Purchaser and its Affiliates and any amendments thereof or supplements thereto to the extent required under the Requirements of Laws, the “Insurance Filings”) with the Ohio Department of Insurance with respect to Root Insurance Company and (iii) if the Company becomes subject to regulation in any additional jurisdictions and the Holder agrees to prepare and file any regulatory filings in such jurisdictions as may be required to acquire control of an insurance company in such jurisdictions.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Short-Term Warrants” means the three year warrants designated as Tranche 1, Tranche 2 and Tranche 3 issued by the Company to the Holder on the Issuance Date.

“Trading Day” means a day on which the Trading Market is open for trading. If the Class A Common Stock is not listed on any Trading Market, then “Trading Day” means “Business Day.”

“Trading Market” means the Nasdaq Global Select Market or the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

“Transfer” means to, directly or indirectly, (i) sell, offer to sell, contract to sell, sell or grant any option, right or warrant to purchase, purchase or acquire any option to sell, or otherwise dispose or transfer any security or (ii) enter into any total-return swap, derivative or any other similar agreement or any similar transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of such securities, whether any such swap, derivative or other similar transaction is to be settled by delivery of reference securities, other securities, in cash or otherwise.

“Transfer Agent” means the Company and any successor transfer agent of the Company.

Section 2. Exercise.

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time (i) on or after the Initial Exercise Date and on or before the Termination Date or (ii) any time following a Fundamental Transaction (as defined below) occurring before the Initial Exercise Date (but subject to Section 3(d)(ii)), in each case subject to the satisfaction of the Conditions to Exercise, by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(c)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise in the form determined by the Company pursuant to Section 2(b). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company; provided, however, that the Holder may surrender this Warrant and receive a new Warrant pursuant to Section 2(c)(ii) hereof. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within two Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. Subject to applicable law or regulation, the exercisability of the this Warrant shall not preclude the Holder from electing, in its sole discretion, to exercise or convert any other right, option, warrant, convertible stock or other security of the Company (and the exercisability of the such other right, option, warrant, convertible stock or other security of the Company shall not preclude the Holder from exercising this Warrant).

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$12.00 per share, subject to adjustment hereunder (the "Exercise Price"). The Exercise Price shall be payable by a cash payment to the Company of the Exercise Price by wire transfer of immediately available funds to an account designated in writing by the Company; provided, however, that the Company may cause the Holder to receive, or the Holder may elect to receive, upon such exercise the "net number" of shares of Common Stock, where the Company will withhold a number of Warrant Shares (subject to Section 2(c)(v) hereof) then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the date of the Notice of Exercise equal to such Exercise Price (a "Cashless Exercise").

(c) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by book entry position, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) two (2) Trading Days after delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrant Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant at any time prior to the expiration of the Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to deliver to the Holder the Warrant Shares pursuant to Section 2(c)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) Conditional Exercise. Notwithstanding the foregoing, if an exercise of all or any portion of this Warrant is to be made in connection with a Fundamental Transaction, such exercise may at the election of the Holder be conditioned upon the consummation of such Fundamental Transaction. If the exercise of this Warrant is conditioned upon the consummation of a Fundamental Transaction, the Warrant Share Delivery Date shall be the date of such consummation and such exercise shall be deemed to be effective immediately prior to such consummation.

(v) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii) Delayed Exercise. If at any time an exercise of the purchase rights represented by this Warrant would result in Holder and its Affiliates owning more than 34.9% of the Company's issued and outstanding Common Stock at the time of exercise, then the Company shall have the right to delay the Warrant Share Delivery Date in order to obtain any necessary consents from lenders or other creditors that, if not obtained, would result in a breach of, or event of default under, any credit agreement, note or similar agreement.

Section 3. Certain Adjustments.

(a) Adjustments.

(i) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides (including by way of stock split) outstanding shares of Common Stock into a larger number of shares, or (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(ii) Issuance of Rights, Options or Warrants. If the Company issues to all of the record holders of its Class A Common Stock any rights, options or warrants entitling them, to subscribe for or purchase shares of the Common Stock (the "Purchase Rights") at a price per share that is less than the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, then the Exercise Price shall be decreased based on the following formula:

$$EP1 = EP0 \times ((OS0 + Y) \div (OS0 + X))$$

where,

"EP0" means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"EP1" means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

"OS0" means the number of shares of Common Stock outstanding immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"X" means the total number of shares of Common Stock issuable pursuant to such rights, options or warrants; and

"Y" means the number of shares of Common Stock equal to (i) the aggregate price payable to exercise such rights, options or warrants, divided by (ii) the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance.

Any decrease pursuant to this Section 3(a)(ii) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that shares of the Common Stock are not delivered after the expiration of such rights, options or warrants, the Exchange Price shall be increased to the Exchange Price that would then be in effect had the decrease in the exercise price been calculated on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, the Exchange Price shall be increased to the Exchange Rate that would then be in effect if such Ex-Dividend Date for such issuance had not occurred.

For purposes of this Section 3(a)(ii), in determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase shares of the Common Stock at a price per share that is less than such average of the Fair Market Value of the Common Stock for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors in good faith.

(iii) Distribution Transactions. If the Company distributes shares of its capital stock, evidences of its indebtedness, other assets or property or rights, options or warrants to acquire its Capital Stock or other securities, to all holders of record of the Class A Common Stock, excluding (a) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 3(a)(i) or Section 3(a)(ii), (b) dividends or distributions paid exclusively in cash (subject to Section 3(a)(iv)), (c) distributions in a transaction described in Section 3(b); and (d) Spin-Offs as to which the provisions set forth below in the second paragraph of this Section 3(a)(iii) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the “Distributed Property”), then the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - FMV) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading-Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

“FMV” means the fair market value (as determined by the Board of Directors) of the Distributed Property distributed with respect to each outstanding share of the Class A Common Stock on the Ex-Dividend Date for such distribution.

Any decrease made under the portion of this Section 3(a)(iii) above shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such dividend or distribution is not so paid, the Exercise Price shall be reset, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive at the same time and upon the same terms as holders of the Common Stock receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder had exercised this Warrant in full prior the distribution. If the Board of Directors determines the “FMV” (as defined above) of any distribution for purposes of this Section 3(a)(iii) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the Fair Market Value of the Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution. If the Company issues rights, options or warrants that are only exercisable upon the occurrence of certain triggering events, then the Company will not adjust the Exercise Price pursuant to the foregoing in this Section 3(a)(iii) until the earliest of these triggering events occurs, and the Company will readjust the Exercise Price to the extent any of these rights, options or warrants are not exercised before they expire; provided that the rights, options or warrants trade together with the Class A Common Stock and will be issued in respect of future issuances of the shares of the Class A Common Stock.

With respect to an adjustment pursuant to this Section 3(a)(iii) where there has been a payment of a dividend or other distribution on the Class A Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “Spin-Off”), the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times (MP_0 \div (FMV + MP_0))$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the close of business on the Effective Date of the Spin-Off;

“EP₁” means the Exercise Price in effect immediately after the close of business on the Effective Date of the Spin-Off;

“FMV” means the average Fair Market Value of the Capital Stock or similar equity interest distributed to holders of the Class A Common Stock applicable to one share of the Common Stock (determined by reference to the definition of Fair Market Value as if references therein to Common Stock were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the first day that the Spin-Off stock begins trading regular-way (the “Valuation Period”); and

“MP₀” means the average Fair Market Value of the Class A Common Stock over the Valuation Period.

The adjustment to the Exercise Price under the preceding paragraph will be calculated as of the open of business on the last Trading Day of the Valuation Period, but shall be given effect as of the close of business on the Effective Date of the Spin-Off. If the Warrant Share Delivery Date occurs during the related Valuation Period, the Company will pay or deliver, as the case may be, the cash, shares of its Class A Common Stock or a combination of cash and shares of its Common Stock, if any, on the third Business Day immediately following the last day of the Valuation Period, and the Person in whose name any shares of Class A Common Stock delivered upon conversion is registered shall be treated as a stockholder of record as of the close of business on the last Trading Day of the Valuation Period. If any distribution of the type described in this Section 3(a)(iii) is declared but not so made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to make such distribution, to the conversion rate that would then be in effect if such distribution had not been declared.

(iv) Cash Dividends. If any cash dividend or distribution is made to all holders of record of the Class A Common Stock, the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - C) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

“C” means the amount in cash per share the Company distributes to all or substantially all holders of its Class A Common Stock.

Any decrease pursuant to this Section 3(a)(iv) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Exercise Price shall be increased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive, at the same time and upon the same terms as holders of shares of the Class A Common Stock, the amount of cash that such Holder would have received if such Holder had exercised this Warrant in full prior the dividend or distribution.

(b) Fundamental Transaction. If, at any time while this Warrant is outstanding, subject to Section 3(d)(ii), (i) a Company Sale occurs or (ii) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder in its sole discretion, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Class A Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Class A Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Class A Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event that the Company elects to provide the Holder with a Sale Notice for a proposed Company Sale that would otherwise be considered a Fundamental Transaction, as described below in Section 3(d)(ii), this Section 3(b) shall not apply to such proposed Company Sale.

(c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(d) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Sale Notice. Notwithstanding anything to the contrary set forth in this Warrant, in the event of a proposed Company Sale, the Company may elect to give written notice to the Holder of the proposed Company Sale and treatment of the Warrant under this Section 3(d)(ii) (a "Sale Notice"). If provided, the Sale Notice will include the definitive agreement relating to the Company Sale unless the Company is contractually prohibited from providing a copy of such draft, in which case the Sale Notice will include a description of the material terms of the proposed Company Sale in reasonable detail. The Sale Notice, if elected to be provided by the Company, shall be provided no less than fifteen (15) Business Days prior to the anticipated closing date of the Company Sale and shall specify that the exercise in connection therewith shall be a Cashless Exercise unless the Company and Holder have agreed in writing that such Holder will pay in cash the aggregate Exercise Price with respect to such exercise in lieu of Cashless Exercise. If the Company has delivered such Sales Notice, this Warrant shall be automatically deemed exercised immediately prior to the closing date of the Company Sale; provided, however, if (a) subject to the partial vesting provided for in the final sentence of this Section 3(d)(ii), the Conditions to Exercise have not been satisfied as of the date of the Sale Notice or (b) the calculations pursuant to Cashless Exercise would not result in an obligation to deliver any Warrant Shares to the Holder, then, in each case, this Warrant shall be deemed terminated without payment as of the date of the Sale Notice and the Holder shall have no further rights with respect thereto. Section 3(b) shall not apply in the event of a Sale Notice is delivered with respect to a Company Sale that would otherwise be considered a Fundamental Transaction. For purposes of this Section 3(d)(ii), in the event that the Conditions to Exercise specified in clause (iii) of the definition thereof have not been fully satisfied, but the Conditions to Exercise in Short Term Warrant Tranche 2 have been satisfied in full, then this Warrant shall partially vest in connection with such Company Sale by multiplying the number of Warrant Shares by a fraction, the numerator of which is the cumulative number of Company Policies issued through the date of such Company Sale and the denominator of which is the number of Company Policies issued set forth in clause (iii) of the definition of Conditions to Exercise.

(iii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock (other than a regular dividend that is publicly announced in advance), (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. The Holder may not directly or indirectly Transfer all or any part of this Warrant other than to (i) a direct or indirect wholly-owned subsidiary of Carvana Group, LLC and (ii) subject to the Company's prior written consent not to be unreasonably withheld, any affiliates of the Carvana Group, LLC (each of (i) and (ii), a "Permitted Transferee" and such Transfer, a "Permitted Transfer"); provided that (A) if the Holder and its Affiliates have used reasonable best efforts to obtain the Required Regulatory Approvals and such Required Regulatory Approvals are not obtained or (B) if any of the Required Regulatory Approvals are obtained but the approvals in connection therewith would impose a Burdensome Condition, then the Holder may transfer up to 5% of this Warrant and the underlying shares to a Person that is not an Permitted Transferee at the Holder's sole discretion, and, subject to the Company's prior written consent not to be unreasonably withheld (it being agreed that it shall not be unreasonable for the Company to withhold consent to any transfer that would require the registration of the Warrant (or any portion thereof), 5% or more of this Warrant and the underlying shares; provided, further: that (i) any transferee enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Warrant and the other restrictions contained in the Investment Agreement, dated August 11, 2021, by and among the Company and the Holder and (ii) following any partial transfer this Warrant shall remain exercisable only for all of the Warrant Shares by the

Holders thereof subject to the Cap. Upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney, this Warrant may be Transferred to a Permitted Transferee. In the case of any Permitted Transfer to a Permitted Transferee, if any such Permitted Transferee thereafter ceases to satisfy the definition of a Permitted Transferee, such person will re-convey this Warrant to the transferor or to another Permitted Transferee either (i) before such Person ceases to satisfy the definition of a Permitted Transferee, so long as such Person knows of its upcoming change of status prior thereto or (ii) if such change of status is not known until after its occurrence, then as soon as practicable after the earlier of such former Permitted Transferee receiving notice or having knowledge thereof. No purported Transfer of this Warrant will be effective if a purpose or effect of such purported Transfer is to circumvent the provisions of the Certificate of Incorporation, the Investment Agreement or this Warrant. The Holder shall, prior to or concurrently with any transfer of a Warrant, pay funds sufficient to pay any transfer taxes payable upon the making of such transfer.

(b) New Warrants. In connection with any Permitted Transfer, (i) this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney and (ii) the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial Issuance Date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise as set forth in Section 2(c)(i) (or, if applicable, such later date as contemplated by Section 2(c)(vii)).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of this Warrant, if mutilated, the Company will make and deliver a new Warrant of like tenor and dated as of such cancellation, in lieu of such Warrant.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Class A Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant, and, in the event the Holder becomes entitled to receive any other equity security of the Company (or security convertible into any other equity security of the Company) upon exercise of this Warrant, the Company will reserve a sufficient number of authorized but unissued shares of such equity securities to provide for the issuance of such equity securities upon exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Class A Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, (iv) will not create a new class of common stock of the Company, and (v) the Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. This Warrant, and all claims or causes of action (whether in contract, tort, statute or otherwise) that may be based upon, arising out of or relating to this Warrant or any of the transactions contemplated hereby or the negotiation, execution or performance of this Warrant (including any claim or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Warrant or as an inducement to enter into this Warrant), shall be governed by and construed in accordance with the internal laws of the State of Delaware, including its statute of limitations, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties hereto agrees, with respect to any action arising out of or relating to this Warrant or the transactions contemplated hereby, (i) to submit to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in and for New Castle County, Delaware, (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such court and (iii) agrees that it will not bring any such action in any court other than the Court of Chancery for the State of Delaware in and for New Castle County, Delaware, or, if (and only if) such court finds it lacks subject matter jurisdiction, the federal court of the United States of America sitting in Delaware, and appellate courts thereof, or, if (and only if) each of such Court of Chancery for the State of Delaware and such federal court finds it lacks subject matter jurisdiction, any state court within the State of Delaware. Service of process, summons, notice or document to any party's address and in the manner set forth in this Section 5(h) shall be effective service of process for any such action.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 80 E. Rich Street, Suite 500, Columbus, OH 43215, Attention: Jon Allison, General Counsel, email address: legal@joinroot.com, or such other email address or address as the Company may specify for such purposes by notice to the Holder. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to the Holder at the e-mail address or address of the Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the Party to whom such notice is required to be given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Class A Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(o) Entire Agreement. This Agreement, the Commercial Agreement and the Investment Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede (i) all prior oral or written proposals or agreements, (ii) all contemporaneous oral proposals or agreements, and (iii) all previous negotiations and all other communications or understandings between the parties, in each case with respect to the subject matter hereof.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ROOT, INC. (“Company”)

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating
Officer and Chief Financial Officer

Agreed to and accepted as of the date first above indicated:

CARVANA GROUP, LLC (“Holder”)

By: /s/ Paul Breaux

Name: Paul Breaux

Title: Vice President, General Counsel and
Secretary

NOTICE OF EXERCISE

TO: ROOT, INC.

(1) The undersigned hereby elects to purchase ___ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box)

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection (c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name (if such person is a Permitted Transferee), as is specified below.

The undersigned hereby represents and warrants as follows:

(a) the undersigned is acquiring such shares of Common Stock for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933, as amended, and the regulations promulgated thereunder (the "Securities Act"); and

(b) (i) the undersigned is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purposes of acquiring the Warrant or such shares of Common Stock or (ii) the undersigned is not a US Person as defined in Regulation S under the Securities Act, and the Warrant is not being exercised on behalf of a US Person. The undersigned's financial condition is such that it is able to bear the risk of holding such securities for an indefinite period of time and the risk of loss of its entire investment. The undersigned has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of investment in the Company.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

LONG-TERM COMMON STOCK PURCHASE WARRANT

ROOT, INC.

Long-Term Tranche 1

Warrant Shares: 25,844,775

Issuance Date: October 1, 2021

THIS LONG-TERM COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, Carvana Group, LLC, a Delaware limited liability company, or its permitted successors or assigns (the “Holder”) is entitled, upon the terms and subject to the conditions hereinafter set forth, in whole or in part, at any time on or after the third (3rd) anniversary of the Reference Date (the “Initial Exercise Date”) through 5:00 p.m. (New York City time) the fifth (5th) anniversary of the Reference Date unless earlier terminated as provided herein (the “Termination Date”) but not thereafter, to subscribe for and purchase from Root, Inc., a Delaware corporation (the “Company”), subject to the satisfaction of the Conditions to Exercise, 25,844,775 shares (as subject to adjustment hereunder, the “Warrant Shares”) of Class A Common Stock, which represents the number of shares of Common Stock that would constitute 8.0% of all issued and outstanding shares of Common Stock on a Fully Diluted basis as of August 11, 2021, assuming that the Holder has exercised all Warrants on a cash basis. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b) below.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Burdensome Condition” means an obligation take or refrain from taking or agreeing to its, its Affiliates or its or their Subsidiaries obligation to take or refrain from taking any action (including any amendment, waiver or termination of any agreement, exhibit or schedule, including this Warrants, the Investment Agreement, the Certificate of Designations, and the Commercial Agreement and the exhibits and schedules hereto or thereto) or to suffer to exist any limitation, action, restriction, condition or requirement which, individually or together with all other such limitations, actions, restrictions, conditions or requirements, that would, or would reasonably be expected to, have (i) a material adverse effect on the business, financial condition, assets and liabilities (considered together), operations or results of operations of Holder and its Affiliates or Subsidiaries, taken as a whole, or (ii) a material adverse effect on the aggregate economic benefits, taken as a whole, that, as of the date hereof, the Holder would reasonably be expected to obtain from the transactions contemplated by this Warrant.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company.

“Cap” means 29.9% of all issued and outstanding shares of Class A Common Stock on a Fully Diluted basis as of the Issuance date, assuming all Warrants owned by the Holder have been exercised on a cash basis.

“Carvana Group, LLC Warrants” means the Short-Term Warrants and the Long-Term Warrants.

“Class A Common Stock” means the Class A common stock of the Company, par value \$0.0001.

“Class B Common Stock” means the Class B common stock of the Company, par value \$0.0001.

“Commercial Agreement” means the Commercial Agreement entered into on the date hereof by the Company and the Holder.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the Class A Common Stock and the Class B Common Stock.

“Company Sale” means any merger, consolidation, or other business combination of the Company with an entity that is not an Affiliate of the Company that results in the stockholders of the Company immediately prior to such transaction being the beneficial owners of less than 50% of the equity securities of the successor or surviving company.

“Company Policies” has the meaning set forth in the Commercial Agreement.

“Conditions to Exercise” means that each of the following conditions have been met: (i) (a) the receipt of approval from the Delaware Insurance Commissioner of a Form A Filing and Pre-Acquisition Application pursuant to Delaware Insurance Code section 5003, or approval from the Delaware Insurance Commissioner of a disclaimer of affiliation, (b) the receipt of approval from the Ohio Director of Insurance of a Form A Filing pursuant to Ohio Insurance Code section 3901.321, or approval from the Ohio Director of Insurance of a disclaimer of affiliation and (c) any other consent, waiver or approval of any Governmental Authority that regulates insurance that is required by applicable Law; (ii) any required waiting period applicable to the Investment under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (and the rules and regulations promulgated thereunder) (the “HSR Act”), and any agreement between the parties, on the one hand, and the United States Department of Justice or the United States Federal Trade Commission, on the other hand, that prohibits the consummation of the Investment, shall have been terminated or shall have expired; (iii) the cumulative number of Company Policies issued exceeds 100,000; and (iv) upon exercise of this Warrant, (A) the aggregate number of shares of Common Stock the Company shall have issued under all Carvana Group, LLC Warrants does not exceed the Cap; provided, that the Cap shall be adjusted proportionately downward to reflect the effect of one of more issuances based on Cashless Exercise of any Warrant, and (B) after giving pro forma effect to such exercise, and subject to Section 2(c)(vii), the Holder and its controlled affiliates do not directly own more than 34.9% of the Company’s issued and outstanding Common Stock on Fully Diluted basis; and (v) none of the Short-Term Warrants have been exercised.

“Convertible Security” means evidences of indebtedness, shares of stock, rights or other securities (including, but not limited to options, warrants, and other rights for the purchase or other acquisition of Common Stock) which are directly or indirectly convertible, exercisable or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the onset of a specified date or the happening of a specified event.

“Ex-Dividend Date” means the first date on which shares of the Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Class A Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market

“Fair Market Value” means, as of any particular date (i) the closing sales price of the Class A Common Stock for such date on the Trading Market on which the Class A Common Stock is at the time be listed, (ii) if there have been no sales of the Class A Common Stock on such Trading Market on any such date, the average of the highest bid and lowest asked prices for the Class A Common Stock on the Trading Market at the end of such date, (iii) if on any such day the Class A Common Stock is not listed on a national securities exchange, the closing sales price of the Common Stock as quoted on the OTC for such date, (iv) if there have been no sales of the Class A Common Stock on the OTC on such date, the average of the highest bid and lowest asked prices for the Class A Common Stock quoted on the OTC at the end of such date or (v) if at any time the Class A Common Stock is not listed on any domestic securities exchange or quoted on the OTC, the fair market value per share as determined in good faith by the Board of Directors; provided, with respect to clause (v) the Holder is entitled to object to the fair market value per share determined by the Board of Directors and require, at the Company’s sole expense, such determination to be made by a nationally recognized investment banking, accounting or valuation firm that is reasonably acceptable to the Board of Directors.

“Fully Diluted” means, with respect to the Common Stock, as of a particular time the total outstanding shares of Common Stock as of such time, determined by treating all outstanding Convertible Securities (regardless of whether such Convertible Securities are at such time exercisable, convertible or exchangeable) as having been exercised, converted or exchanged (including the exercise, conversion or exchange of Convertible Securities underlying any such Convertible Securities, giving effect to any applicable caps on conversion).

“OTC” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic interdealer quotation system, the OTC Markets Group Inc. electronic interdealer quotation system, including OTCQX, OTCQB and OTC Pink, or any similar quotation system or association.

“Long-Term Warrants” means the warrants designated as Long Term Tranche 1, Long Term Tranche 2, Long Term Tranche 3, Long Term Tranche 4 and Long Term Tranche 5 issued by the Company to the Holder on the Issuance Date.

“Party” means either Company or Holder, as applicable.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Product Integration” the meaning set forth in the Commercial Agreement.

“Product Integration Date” the meaning set forth in the Commercial Agreement.

“Reference Date” means the earlier of (x) the Product Integration Date or (y) non-completion of Phase 1 of the Product Integration within 18 months from the date hereof.

“Required Regulatory Approvals” means the following governmental and regulatory approvals, consents, order and waivers: (i) a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer or a disclaimer of affiliation (the “Delaware Filing”) with the Delaware Department of Insurance with respect to Root Property & Casualty Insurance Company, (ii) a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer or a disclaimer of affiliation (the “Ohio Filing”) and, together with the Delaware Filings and including biographical affidavits, background information, questionnaires, financial statements and information, structure of Purchaser and its Affiliates and any amendments thereof or supplements thereto to the extent required under the Requirements of Laws, the “Insurance Filings”) with the Ohio Department of Insurance with respect to Root Insurance Company and (iii) if the Company becomes subject to regulation in any additional jurisdictions and the Holder agrees to prepare and file any regulatory filings in such jurisdictions as may be required to acquire control of an insurance company in such jurisdictions.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Short-Term Warrants” means the three year warrants designated as Tranche 1, Tranche 2 and Tranche 3 issued by the Company to the Holder on the Issuance Date.

“Trading Day” means a day on which the Trading Market is open for trading. If the Class A Common Stock is not listed on any Trading Market, then “Trading Day” means “Business Day.”

“Trading Market” means the Nasdaq Global Select Market or the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

“Transfer” means to, directly or indirectly, (i) sell, offer to sell, contract to sell, sell or grant any option, right or warrant to purchase, purchase or acquire any option to sell, or otherwise dispose or transfer any security or (ii) enter into any total-return swap, derivative or any other similar agreement or any similar transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of such securities, whether any such swap, derivative or other similar transaction is to be settled by delivery of reference securities, other securities, in cash or otherwise.

“Transfer Agent” means the Company and any successor transfer agent of the Company.

Section 2. Exercise.

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time (i) on or after the Initial Exercise Date and on or before the Termination Date or (ii) any time following a Fundamental Transaction (as defined below) occurring before the Initial Exercise Date (but subject to Section 3(d)(ii)), in each case subject to the satisfaction of the Conditions to Exercise, by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(c)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise in the form determined by the Company pursuant to Section 2(b). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company; provided, however, that the Holder may surrender this Warrant and receive a new Warrant pursuant to Section 2(c)(ii) hereof. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within two Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. Subject to applicable law or regulation, the exercisability of the this Warrant shall not preclude the Holder from electing, in its sole discretion, to exercise or convert any other right, option, warrant, convertible stock or other security of the Company (and the exercisability of the such other right, option, warrant, convertible stock or other security of the Company shall not preclude the Holder from exercising this Warrant).

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$10.00 per share, subject to adjustment hereunder (the "Exercise Price"). The Exercise Price shall be payable by a cash payment to the Company of the Exercise Price by wire transfer of immediately available funds to an account designated in writing by the Company; provided, however, that the Company may cause the Holder to receive, or the Holder may elect to receive, upon such exercise the "net number" of shares of Common Stock, where the Company will withhold a number of Warrant Shares (subject to Section 2(c)(v) hereof) then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the date of the Notice of Exercise equal to such Exercise Price (a "Cashless Exercise").

(c) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by book entry position, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) two (2) Trading Days after delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrant Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant at any time prior to the expiration of the Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to deliver to the Holder the Warrant Shares pursuant to Section 2(c)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) Conditional Exercise. Notwithstanding the foregoing, if an exercise of all or any portion of this Warrant is to be made in connection with a Fundamental Transaction, such exercise may at the election of the Holder be conditioned upon the consummation of such Fundamental Transaction. If the exercise of this Warrant is conditioned upon the consummation of a Fundamental Transaction, the Warrant Share Delivery Date shall be the date of such consummation and such exercise shall be deemed to be effective immediately prior to such consummation.

(v) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii) Delayed Exercise. If at any time an exercise of the purchase rights represented by this Warrant would result in Holder and its Affiliates owning more than 34.9% of the Company's issued and outstanding Common Stock at the time of exercise, then the Company shall have the right to delay the Warrant Share Delivery Date in order to obtain any necessary consents from lenders or other creditors that, if not obtained, would result in a breach of, or event of default under, any credit agreement, note or similar agreement.

Section 3. Certain Adjustments.

(a) Adjustments.

(i) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides (including by way of stock split) outstanding shares of Common Stock into a larger number of shares, or (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(ii) Issuance of Rights, Options or Warrants. If the Company issues to all of the record holders of its Class A Common Stock any rights, options or warrants entitling them, to subscribe for or purchase shares of the Common Stock (the "Purchase Rights") at a price per share that is less than the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, then the Exercise Price shall be decreased based on the following formula:

$$EP1 = EP0 \times ((OS0 + Y) \div (OS0 + X))$$

where,

"EP0" means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"EP1" means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

"OS0" means the number of shares of Common Stock outstanding immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"X" means the total number of shares of Common Stock issuable pursuant to such rights, options or warrants; and

"Y" means the number of shares of Common Stock equal to (i) the aggregate price payable to exercise such rights, options or warrants, divided by (ii) the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance.

Any decrease pursuant to this Section 3(a)(ii) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that shares of the Common Stock are not delivered after the expiration of such rights, options or warrants, the Exchange Price shall be increased to the Exchange Price that would then be in effect had the decrease in the exercise price been calculated on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, the Exchange Price shall be increased to the Exchange Rate that would then be in effect if such Ex-Dividend Date for such issuance had not occurred.

For purposes of this Section 3(a)(ii), in determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase shares of the Common Stock at a price per share that is less than such average of the Fair Market Value of the Common Stock for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors in good faith.

(iii) Distribution Transactions. If the Company distributes shares of its capital stock, evidences of its indebtedness, other assets or property or rights, options or warrants to acquire its Capital Stock or other securities, to all holders of record of the Class A Common Stock, excluding (a) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 3(a)(i) or Section 3(a)(ii), (b) dividends or distributions paid exclusively in cash (subject to Section 3(a)(iv)), (c) distributions in a transaction described in Section 3(b); and (d) Spin-Offs as to which the provisions set forth below in the second paragraph of this Section 3(a)(iii) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the “Distributed Property”), then the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - FMV) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading-Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

“FMV” means the fair market value (as determined by the Board of Directors) of the Distributed Property distributed with respect to each outstanding share of the Class A Common Stock on the Ex-Dividend Date for such distribution.

Any decrease made under the portion of this Section 3(a)(iii) above shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such dividend or distribution is not so paid, the Exercise Price shall be reset, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive at the same time and upon the same terms as holders of the Common Stock receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder had exercised this Warrant in full prior the distribution. If the Board of Directors determines the “FMV” (as defined above) of any distribution for purposes of this Section 3(a)(iii) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the Fair Market Value of the Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution. If the Company issues rights, options or warrants that are only exercisable upon the occurrence of certain triggering events, then the Company will not adjust the Exercise Price pursuant to the foregoing in this Section 3(a)(iii) until the earliest of these triggering events occurs, and the Company will readjust the Exercise Price to the extent any of these rights, options or warrants are not exercised before they expire; provided that the rights, options or warrants trade together with the Class A Common Stock and will be issued in respect of future issuances of the shares of the Class A Common Stock.

With respect to an adjustment pursuant to this Section 3(a)(iii) where there has been a payment of a dividend or other distribution on the Class A Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “Spin-Off”), the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times (MP_0 \div (FMV + MP_0))$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the close of business on the Effective Date of the Spin-Off;

“EP₁” means the Exercise Price in effect immediately after the close of business on the Effective Date of the Spin-Off;

“FMV” means the average Fair Market Value of the Capital Stock or similar equity interest distributed to holders of the Class A Common Stock applicable to one share of the Common Stock (determined by reference to the definition of Fair Market Value as if references therein to Common Stock were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the first day that the Spin-Off stock begins trading regular-way (the “Valuation Period”); and

“MP₀” means the average Fair Market Value of the Class A Common Stock over the Valuation Period.

The adjustment to the Exercise Price under the preceding paragraph will be calculated as of the open of business on the last Trading Day of the Valuation Period, but shall be given effect as of the close of business on the Effective Date of the Spin-Off. If the Warrant Share Delivery Date occurs during the related Valuation Period, the Company will pay or deliver, as the case may be, the cash, shares of its Class A Common Stock or a combination of cash and shares of its Common Stock, if any, on the third Business Day immediately following the last day of the Valuation Period, and the Person in whose name any shares of Class A Common Stock delivered upon conversion is registered shall be treated as a stockholder of record as of the close of business on the last Trading Day of the Valuation Period. If any distribution of the type described in this Section 3(a)(iii) is declared but not so made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to make such distribution, to the conversion rate that would then be in effect if such distribution had not been declared.

(iv) Cash Dividends. If any cash dividend or distribution is made to all holders of record of the Class A Common Stock, the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - C) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

“C” means the amount in cash per share the Company distributes to all or substantially all holders of its Class A Common Stock.

Any decrease pursuant to this Section 3(a)(iv) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Exercise Price shall be increased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive, at the same time and upon the same terms as holders of shares of the Class A Common Stock, the amount of cash that such Holder would have received if such Holder had exercised this Warrant in full prior the dividend or distribution.

(b) Fundamental Transaction. If, at any time while this Warrant is outstanding, subject to Section 3(d)(ii), (i) a Company Sale occurs or (ii) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder in its sole discretion, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Class A Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Class A Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Class A Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event that the Company elects to provide the Holder with a Sale Notice for a proposed Company Sale that would otherwise be considered a Fundamental Transaction, as described below in Section 3(d)(ii), this Section 3(b) shall not apply to such proposed Company Sale.

(c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(d) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Sale Notice. Notwithstanding anything to the contrary set forth in this Warrant, in the event of a proposed Company Sale, the Company may elect to give written notice to the Holder of the proposed Company Sale and treatment of the Warrant under this Section 3(d)(ii) (a "Sale Notice"). If provided, the Sale Notice will include the definitive agreement relating to the Company Sale unless the Company is contractually prohibited from providing a copy of such draft, in which case the Sale Notice will include a description of the material terms of the proposed Company Sale in reasonable detail. The Sale Notice, if elected to be provided by the Company, shall be provided no less than fifteen (15) Business Days prior to the anticipated closing date of the Company Sale and shall specify that the exercise in connection therewith shall be a Cashless Exercise unless the Company and Holder have agreed in writing that such Holder will pay in cash the aggregate Exercise Price with respect to such exercise in lieu of Cashless Exercise. If the Company has delivered such Sales Notice, this Warrant shall be automatically deemed exercised immediately prior to the closing date of the Company Sale; provided, however, if (a) subject to the partial vesting provided for in the final sentence of this Section 3(d)(ii), the Conditions to Exercise have not been satisfied as of the date of the Sale Notice or (b) the calculations pursuant to Cashless Exercise would not result in an obligation to deliver any Warrant Shares to the Holder, then, in each case, this Warrant shall be deemed terminated without payment as of the date of the Sale Notice and the Holder shall have no further rights with respect thereto. Section 3(b) shall not apply in the event of a Sale Notice is delivered with respect to a Company Sale that would otherwise be considered a Fundamental Transaction.

(iii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock (other than a regular dividend that is publicly announced in advance), (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of

any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. The Holder may not directly or indirectly Transfer all or any part of this Warrant other than to (i) a direct or indirect wholly-owned subsidiary of Carvana Group, LLC and (ii) subject to the Company's prior written consent not to be unreasonably withheld, any affiliates of the Carvana Group, LLC (each of (i) and (ii), a "Permitted Transferee" and such Transfer, a "Permitted Transfer"); provided that (A) if the Holder and its Affiliates have used reasonable best efforts to obtain the Required Regulatory Approvals and such Required Regulatory Approvals are not obtained or (B) if any of the Required Regulatory Approvals are obtained but the approvals in connection therewith would impose a Burdensome Condition, then the Holder may transfer up to 5% of this Warrant and the underlying shares to a Person that is not an Permitted Transferee at the Holder's sole discretion, and, subject to the Company's prior written consent not to be unreasonably withheld (it being agreed that it shall not be unreasonable for the Company to withhold consent to any transfer that would require the registration of the Warrant (or any portion thereof), 5% or more of this Warrant and the underlying shares; provided, further: that (i) any transferee enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Warrant and the other restrictions contained in the Investment Agreement, dated August 11, 2021, by and among the Company and the Holder and (ii) following any partial transfer this Warrant shall remain exercisable only for all of the Warrant Shares by the Holders thereof subject to the Cap. Upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney, this Warrant may be Transferred to a Permitted Transferee. In the case of any Permitted Transfer to a Permitted Transferee, if any such Permitted Transferee thereafter ceases to satisfy the definition of a Permitted Transferee, such person will re-convey this Warrant to the transferor or to another

Permitted Transferee either (i) before such Person ceases to satisfy the definition of a Permitted Transferee, so long as such Person knows of its upcoming change of status prior thereto or (ii) if such change of status is not known until after its occurrence, then as soon as practicable after the earlier of such former Permitted Transferee receiving notice or having knowledge thereof. No purported Transfer of this Warrant will be effective if a purpose or effect of such purported Transfer is to circumvent the provisions of the Certificate of Incorporation, the Investment Agreement or this Warrant. The Holder shall, prior to or concurrently with any transfer of a Warrant, pay funds sufficient to pay any transfer taxes payable upon the making of such transfer.

(b) New Warrants. In connection with any Permitted Transfer, (i) this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney and (ii) the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial Issuance Date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise as set forth in Section 2(c)(i) (or, if applicable, such later date as contemplated by Section 2(c)(vii)).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of this Warrant, if mutilated, the Company will make and deliver a new Warrant of like tenor and dated as of such cancellation, in lieu of such Warrant.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Class A Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant, and, in the event the Holder becomes entitled to receive any other equity security of the Company (or security convertible into any other equity security of the Company) upon exercise of this Warrant, the Company will reserve a sufficient number of authorized but unissued shares of such equity securities to provide for the issuance of such equity securities upon exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Class A Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, (iv) will not create a new class of common stock of the Company, and (v) the Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. This Warrant, and all claims or causes of action (whether in contract, tort, statute or otherwise) that may be based upon, arising out of or relating to this Warrant or any of the transactions contemplated hereby or the negotiation, execution or performance of this Warrant (including any claim or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Warrant or as an inducement to enter into this Warrant), shall be governed by and construed in accordance with the internal laws of the State of Delaware, including its statute of limitations, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties

hereto agrees, with respect to any action arising out of or relating to this Warrant or the transactions contemplated hereby, (i) to submit to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in and for New Castle County, Delaware, (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such court and (iii) agrees that it will not bring any such action in any court other than the Court of Chancery for the State of Delaware in and for New Castle County, Delaware, or, if (and only if) such court finds it lacks subject matter jurisdiction, the federal court of the United States of America sitting in Delaware, and appellate courts thereof, or, if (and only if) each of such Court of Chancery for the State of Delaware and such federal court finds it lacks subject matter jurisdiction, any state court within the State of Delaware. Service of process, summons, notice or document to any party's address and in the manner set forth in this Section 5(h) shall be effective service of process for any such action.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 80 E. Rich Street, Suite 500, Columbus, OH 43215, Attention: Jon Allison, General Counsel, email address: legal@joinroot.com, or such other email address or address as the Company may specify for such purposes by notice to the Holder. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to the Holder at the e-mail address or address of the Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the Party to whom such notice is required to be given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Class A Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(o) Entire Agreement. This Agreement, the Commercial Agreement and the Investment Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede (i) all prior oral or written proposals or agreements, (ii) all contemporaneous oral proposals or agreements, and (iii) all previous negotiations and all other communications or understandings between the parties, in each case with respect to the subject matter hereof.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ROOT, INC. (“Company”)

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating

Officer and Chief Financial Officer

Agreed to and accepted as of the date first above indicated:

CARVANA GROUP, LLC (“Holder”)

By: /s/ Paul Breaux

Name: Paul Breaux

Title: Vice President, General Counsel and
Secretary

NOTICE OF EXERCISE

TO: ROOT, INC.

(1) The undersigned hereby elects to purchase __ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box)

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection (c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name (if such person is a Permitted Transferee) as is specified below.

The undersigned hereby represents and warrants as follows:

(a) the undersigned is acquiring such shares of Common Stock for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933, as amended, and the regulations promulgated thereunder (the "Securities Act"); and

(b) (i) the undersigned is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purposes of acquiring the Warrant or such shares of Common Stock or (ii) the undersigned is not a US Person as defined in Regulation S under the Securities Act, and the Warrant is not being exercised on behalf of a US Person. The undersigned's financial condition is such that it is able to bear the risk of holding such securities for an indefinite period of time and the risk of loss of its entire investment. The undersigned has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of investment in the Company.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number:

Email Address:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

LONG-TERM COMMON STOCK PURCHASE WARRANT

ROOT, INC.

Long-Term Tranche 2

Warrant Shares: 26,854,336

Issuance Date: October 1, 2021

THIS LONG-TERM COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, Carvana Group, LLC, a Delaware limited liability company, or its permitted successors or assigns (the “Holder”) is entitled, upon the terms and subject to the conditions hereinafter set forth, in whole or in part, at any time on or after the third (3rd) anniversary of the Reference Date (the “Initial Exercise Date”) through 5:00 p.m. (New York City time) on the fifth (5th) anniversary of the Reference Date unless earlier terminated as provided herein (the “Termination Date”) but not thereafter, to subscribe for and purchase from Root, Inc., a Delaware corporation (the “Company”), subject to the satisfaction of the Conditions to Exercise, 26,854,336 shares (as subject to adjustment hereunder, the “Warrant Shares”) of Class A Common Stock, which represents the number of shares of Common Stock that would constitute 7.0% of all issued and outstanding shares of Common Stock on a Fully Diluted basis as August 11, 2021, assuming that the Holder has exercised all Warrants on a cash basis. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b) below.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Burdensome Condition” means an obligation take or refrain from taking or agreeing to its, its Affiliates or its or their Subsidiaries obligation to take or refrain from taking any action (including any amendment, waiver or termination of any agreement, exhibit or schedule, including this Warrants, the Investment Agreement, the Certificate of Designations, and the Commercial Agreement and the exhibits and schedules hereto or thereto) or to suffer to exist any limitation, action, restriction, condition or requirement which, individually or together with all other such limitations, actions, restrictions, conditions or requirements, that would, or would reasonably be expected to, have (i) a material adverse effect on the business, financial condition, assets and liabilities (considered together), operations or results of operations of Holder and its Affiliates or Subsidiaries, taken as a whole, or (ii) a material adverse effect on the aggregate economic benefits, taken as a whole, that, as of the date hereof, the Holder would reasonably be expected to obtain from the transactions contemplated by this Warrant.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company.

“Cap” means 29.9% of all issued and outstanding shares of Class A Common Stock on a Fully Diluted basis as of the Issuance date, assuming all Warrants owned by the Holder have been exercised on a cash basis.

“Carvana Group, LLC Warrants” means the Short-Term Warrants and the Long-Term Warrants.

“Class A Common Stock” means the Class A common stock of the Company, par value \$0.0001.

“Class B Common Stock” means the Class B common stock of the Company, par value \$0.0001.

“Commercial Agreement” means the Commercial Agreement entered into on the date hereof by the Company and the Holder.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the Class A Common Stock and the Class B Common Stock.

“Company Sale” means any merger, consolidation, or other business combination of the Company with an entity that is not an Affiliate of the Company that results in the stockholders of the Company immediately prior to such transaction being the beneficial owners of less than 50% of the equity securities of the successor or surviving company.

“Company Policies” has the meaning set forth in the Commercial Agreement.

“Conditions to Exercise” means that each of the following conditions have been met: (i) (a) the receipt of approval from the Delaware Insurance Commissioner of a Form A Filing and Pre-Acquisition Application pursuant to Delaware Insurance Code section 5003, or approval from the Delaware Insurance Commissioner of a disclaimer of affiliation, (b) the receipt of approval from the Ohio Director of Insurance of a Form A Filing pursuant to Ohio Insurance Code section 3901.321, or approval from the Ohio Director of Insurance of a disclaimer of affiliation and (c) any other consent, waiver or approval of any Governmental Authority that regulates insurance that is required by applicable Law; (ii) any required waiting period applicable to the Investment under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (and the rules and regulations promulgated thereunder) (the “HSR Act”), and any agreement between the parties, on the one hand, and the United States Department of Justice or the United States Federal Trade Commission, on the other hand, that prohibits the consummation of the Investment, shall have been terminated or shall have expired; (iii) the cumulative number of Company Policies issued exceeds 200,000; and (iv) upon exercise of this Warrant, (A) the aggregate number of shares of Common Stock the Company shall have issued under all Carvana Group, LLC Warrants does not exceed the Cap; provided, that the Cap shall be adjusted proportionately downward to reflect the effect of one or more issuances based on Cashless Exercise of any Warrant, and (B) after giving pro forma effect to such exercise, and subject to Section 2(c)(vii), the Holder and its controlled affiliates do not directly own more than 34.9% of the Company’s issued and outstanding Common Stock on Fully Diluted basis.

“Convertible Security” means evidences of indebtedness, shares of stock, rights or other securities (including, but not limited to options, warrants, and other rights for the purchase or other acquisition of Common Stock) which are directly or indirectly convertible, exercisable or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the onset of a specified date or the happening of a specified event.

“Ex-Dividend Date” means the first date on which shares of the Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Class A Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market

“Fair Market Value” means, as of any particular date (i) the closing sales price of the Class A Common Stock for such date on the Trading Market on which the Class A Common Stock is at the time be listed, (ii) if there have been no sales of the Class A Common Stock on such Trading Market on any such date, the average of the highest bid and lowest asked prices for the Class A Common Stock on the Trading Market at the end of such date, (iii) if on any such day the Class A Common Stock is not listed on a national securities exchange, the closing sales price of the Common Stock as quoted on the OTC for such date, (iv) if there have been no sales of the Class A Common Stock on the OTC on such date, the average of the highest bid and lowest asked prices for the Class A Common Stock quoted on the OTC at the end of such date or (v) if at any time the Class A Common Stock is not listed on any domestic securities exchange or quoted on the OTC, the fair market value per share as determined in good faith by the Board of Directors; provided, with respect to clause (v) the Holder is entitled to object to the fair market value per share determined by the Board of Directors and require, at the Company’s sole expense, such determination to be made by a nationally recognized investment banking, accounting or valuation firm that is reasonably acceptable to the Board of Directors.

“Fully Diluted” means, with respect to the Common Stock, as of a particular time the total outstanding shares of Common Stock as of such time, determined by treating all outstanding Convertible Securities (regardless of whether such Convertible Securities are at such time exercisable, convertible or exchangeable) as having been exercised, converted or exchanged (including the exercise, conversion or exchange of Convertible Securities underlying any such Convertible Securities, giving effect to any applicable caps on conversion).

“OTC” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic interdealer quotation system, the OTC Markets Group Inc. electronic interdealer quotation system, including OTCQX, OTCQB and OTC Pink, or any similar quotation system or association.

“Long-Term Warrants” means the warrants designated as Long Term Tranche 1, Long Term Tranche 2, Long Term Tranche 3, Long Term Tranche 4 and Long Term Tranche 5 issued by the Company to the Holder on the Issuance Date.

“Party” means either Company or Holder, as applicable.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Product Integration” the meaning set forth in the Commercial Agreement.

“Product Integration Date” the meaning set forth in the Commercial Agreement.

“Reference Date” means the earlier of (x) the Product Integration Date or (y) non-completion of Phase 1 of the Product Integration within 18 months from the date hereof.

“Required Regulatory Approvals” means the following governmental and regulatory approvals, consents, order and waivers: (i) a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer or a disclaimer of affiliation (the “Delaware Filing”) with the Delaware Department of Insurance with respect to Root Property & Casualty Insurance Company, (ii) a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer or a disclaimer of affiliation (the “Ohio Filing”) and, together with the Delaware Filings and including biographical affidavits, background information, questionnaires, financial statements and information, structure of Purchaser and its Affiliates and any amendments thereof or supplements thereto to the extent required under the Requirements of Laws, the “Insurance Filings”) with the Ohio Department of Insurance with respect to Root Insurance Company and (iii) if the Company becomes subject to regulation in any additional jurisdictions and the Holder agrees to prepare and file any regulatory filings in such jurisdictions as may be required to acquire control of an insurance company in such jurisdictions.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Short-Term Warrants” means the three year warrants designated as Tranche 1, Tranche 2 and Tranche 3 issued by the Company to the Holder on the Issuance Date.

“Trading Day” means a day on which the Trading Market is open for trading. If the Class A Common Stock is not listed on any Trading Market, then “Trading Day” means “Business Day.”

“Trading Market” means the Nasdaq Global Select Market or the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

“Transfer” means to, directly or indirectly, (i) sell, offer to sell, contract to sell, sell or grant any option, right or warrant to purchase, purchase or acquire any option to sell, or otherwise dispose or transfer any security or (ii) enter into any total-return swap, derivative or any other similar agreement or any similar transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of such securities, whether any such swap, derivative or other similar transaction is to be settled by delivery of reference securities, other securities, in cash or otherwise.

“Transfer Agent” means the Company and any successor transfer agent of the Company.

Section 2. Exercise.

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time (i) on or after the Initial Exercise Date and on or before the Termination Date or (ii) any time following a Fundamental Transaction (as defined below) occurring before the Initial Exercise Date (but subject to Section 3(d)(ii)), in each case subject to the satisfaction of the Conditions to Exercise, by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(c)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise in the form determined by the Company pursuant to Section 2(b). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company; provided, however, that the Holder may surrender this Warrant and receive a new Warrant pursuant to Section 2(c)(ii) hereof. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within two Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. Subject to applicable law or regulation, the exercisability of the this Warrant shall not preclude the Holder from electing, in its sole discretion, to exercise or convert any other right, option, warrant, convertible stock or other security of the Company (and the exercisability of the such other right, option, warrant, convertible stock or other security of the Company shall not preclude the Holder from exercising this Warrant).

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$12.50 per share, subject to adjustment hereunder (the "Exercise Price"). The Exercise Price shall be payable by a cash payment to the Company of the Exercise Price by wire transfer of immediately available funds to an account designated in writing by the Company; provided, however, that the Company may cause the Holder to receive, or the Holder may elect to receive, upon such exercise the "net number" of shares of Common Stock, where the Company will withhold a number of Warrant Shares (subject to Section 2(c)(v) hereof) then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the date of the Notice of Exercise equal to such Exercise Price (a "Cashless Exercise").

(c) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by book entry position, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) two (2) Trading Days after delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrant Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant at any time prior to the expiration of the Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to deliver to the Holder the Warrant Shares pursuant to Section 2(c)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) Conditional Exercise. Notwithstanding the foregoing, if an exercise of all or any portion of this Warrant is to be made in connection with a Fundamental Transaction, such exercise may at the election of the Holder be conditioned upon the consummation of such Fundamental Transaction. If the exercise of this Warrant is conditioned upon the consummation of a Fundamental Transaction, the Warrant Share Delivery Date shall be the date of such consummation and such exercise shall be deemed to be effective immediately prior to such consummation.

(v) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii) Delayed Exercise. If at any time an exercise of the purchase rights represented by this Warrant would result in Holder and its Affiliates owning more than 34.9% of the Company's issued and outstanding Common Stock at the time of exercise, then the Company shall have the right to delay the Warrant Share Delivery Date in order to obtain any necessary consents from lenders or other creditors that, if not obtained, would result in a breach of, or event of default under, any credit agreement, note or similar agreement.

Section 3. Certain Adjustments.

(a) Adjustments.

(i) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a

distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides (including by way of stock split) outstanding shares of Common Stock into a larger number of shares, or (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(ii) Issuance of Rights, Options or Warrants. If the Company issues to all of the record holders of its Class A Common Stock any rights, options or warrants entitling them, to subscribe for or purchase shares of the Common Stock (the "Purchase Rights") at a price per share that is less than the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, then the Exercise Price shall be decreased based on the following formula:

$$EP1 = EP0 \times ((OS0 + Y) \div (OS0 + X))$$

where,

"EP0" means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"EP1" means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

"OS0" means the number of shares of Common Stock outstanding immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"X" means the total number of shares of Common Stock issuable pursuant to such rights, options or warrants; and

"Y" means the number of shares of Common Stock equal to (i) the aggregate price payable to exercise such rights, options or warrants, divided by (ii) the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance.

Any decrease pursuant to this Section 3(a)(ii) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that shares of the Common Stock are not delivered after the expiration of such rights, options or warrants, the Exchange Price shall be increased to the Exchange Price that would then be in effect had the decrease in the exercise price been calculated on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, the Exchange Price shall be increased to the Exchange Rate that would then be in effect if such Ex-Dividend Date for such issuance had not occurred.

For purposes of this Section 3(a)(ii), in determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase shares of the Common Stock at a price per share that is less than such average of the Fair Market Value of the Common Stock for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors in good faith.

(iii) Distribution Transactions. If the Company distributes shares of its capital stock, evidences of its indebtedness, other assets or property or rights, options or warrants to acquire its Capital Stock or other securities, to all holders of record of the Class A Common Stock, excluding (a) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 3(a)(i) or Section 3(a)(ii), (b) dividends or distributions paid exclusively in cash (subject to Section 3(a)(iv)), (c) distributions in a transaction described in Section 3(b); and (d) Spin-Offs as to which the provisions set forth below in the second paragraph of this Section 3(a)(iii) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the “Distributed Property”), then the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - FMV) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading-Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

“FMV” means the fair market value (as determined by the Board of Directors) of the Distributed Property distributed with respect to each outstanding share of the Class A Common Stock on the Ex-Dividend Date for such distribution.

Any decrease made under the portion of this Section 3(a)(iii) above shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such dividend or distribution is not so paid, the Exercise Price shall be reset, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive at the same time and upon the same terms as holders of the Common Stock receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder had exercised this Warrant in full prior the distribution. If the Board of Directors determines the “FMV” (as defined above) of any distribution for purposes of this Section 3(a)(iii) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the Fair Market Value of the Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution. If the Company issues rights, options or warrants that are only exercisable upon the occurrence of certain triggering events, then the Company will not adjust the Exercise Price pursuant to the foregoing in this Section 3(a)(iii) until the earliest of these triggering events occurs, and the Company will readjust the Exercise Price to the extent any of these rights, options or warrants are not exercised before they expire; provided that the rights, options or warrants trade together with the Class A Common Stock and will be issued in respect of future issuances of the shares of the Class A Common Stock.

With respect to an adjustment pursuant to this Section 3(a)(iii) where there has been a payment of a dividend or other distribution on the Class A Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “Spin-Off”), the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times (MP_0 \div (FMV + MP_0))$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the close of business on the Effective Date of the Spin-Off;

“EP₁” means the Exercise Price in effect immediately after the close of business on the Effective Date of the Spin-Off;

“FMV” means the average Fair Market Value of the Capital Stock or similar equity interest distributed to holders of the Class A Common Stock applicable to one share of the Common Stock (determined by reference to the definition of Fair Market Value as if references therein to Common Stock were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the first day that the Spin-Off stock begins trading regular-way (the “Valuation Period”); and

“MP₀” means the average Fair Market Value of the Class A Common Stock over the Valuation Period.

The adjustment to the Exercise Price under the preceding paragraph will be calculated as of the open of business on the last Trading Day of the Valuation Period, but shall be given effect as of the close of business on the Effective Date of the Spin-Off. If the Warrant Share Delivery Date occurs during the related Valuation Period, the Company will pay or deliver, as the case may be, the cash, shares of its Class A Common Stock or a combination of cash and shares of its Common Stock, if any, on the third Business Day immediately following the last day of the Valuation Period, and the Person in whose name any shares of Class A Common Stock delivered upon conversion is registered shall be treated as a stockholder of record as of the close of business on the last Trading Day of the Valuation Period. If any distribution of the type described in this Section 3(a)(iii) is declared but not so made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to make such distribution, to the conversion rate that would then be in effect if such distribution had not been declared.

(iv) Cash Dividends. If any cash dividend or distribution is made to all holders of record of the Class A Common Stock, the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - C) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

“C” means the amount in cash per share the Company distributes to all or substantially all holders of its Class A Common Stock.

Any decrease pursuant to this Section 3(a)(iv) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Exercise Price shall be increased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive, at the same time and upon the same terms as holders of shares of the Class A Common Stock, the amount of cash that such Holder would have received if such Holder had exercised this Warrant in full prior the dividend or distribution.

(b) Fundamental Transaction. If, at any time while this Warrant is outstanding, subject to Section 3(d)(ii), (i) a Company Sale occurs or (ii) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder in its sole discretion, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Class A Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Class A Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Class A Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event that the Company elects to provide the Holder with a Sale Notice for a proposed Company Sale that would otherwise be considered a Fundamental Transaction, as described below in Section 3(d)(ii), this Section 3(b) shall not apply to such proposed Company Sale.

(c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(d) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Sale Notice. Notwithstanding anything to the contrary set forth in this Warrant, in the event of a proposed Company Sale, the Company may elect to give written notice to the Holder of the proposed Company Sale and treatment of the Warrant under this Section 3(d)(ii) (a "Sale Notice"). If provided, the Sale Notice will include the definitive agreement relating to the Company Sale unless the Company is contractually prohibited from providing a copy of such draft, in which case the Sale Notice will include a description of the material terms of the proposed Company Sale in reasonable detail. The Sale Notice, if elected to be provided by the Company, shall be provided no less than fifteen (15) Business Days prior to the anticipated closing date of the Company Sale and shall specify that the exercise in connection therewith shall be a Cashless Exercise unless the Company and Holder have agreed in writing that such Holder will pay in cash the aggregate Exercise Price with respect to such exercise in lieu of Cashless Exercise. If the Company has delivered such Sales Notice, this Warrant shall be automatically deemed exercised immediately prior to the closing date of the Company Sale; provided, however, if (a) subject to the partial vesting provided for in the final sentence of this Section 3(d)(ii), the Conditions to Exercise have not been satisfied as of the date of the Sale Notice or (b) the calculations pursuant to Cashless Exercise would not result in an obligation to deliver any Warrant Shares to the Holder, then, in each case, this Warrant shall be deemed terminated without payment as of the date of the Sale Notice and the Holder shall have no further rights with respect thereto. Section 3(b) shall not apply in the event of a Sale Notice is delivered with respect to a Company Sale that would otherwise be considered a Fundamental Transaction. For purposes of this Section 3(d)(ii), in the event that the Conditions to Exercise specified in clause (iii) of the definition thereof have not been fully satisfied, but the Conditions to Exercise in Long Term Warrant Tranche 1 have been satisfied in full, then this Warrant shall partially vest in connection with such Company Sale by multiplying the number of Warrant Shares by a fraction, the numerator of which is the cumulative number of Company Policies issued through the date of such Company Sale and the denominator of which is the number of Company Policies issued set forth in clause (iii) of the definition of Conditions to Exercise.

(iii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock (other than a regular dividend that is publicly announced in advance), (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. The Holder may not directly or indirectly Transfer all or any part of this Warrant other than to (i) a direct or indirect wholly-owned subsidiary of Carvana Group, LLC and (ii) subject to the Company's prior written consent not to be unreasonably withheld, any affiliates of the Carvana Group, LLC (each of (i) and (ii), a "Permitted Transferee" and such Transfer, a "Permitted Transfer"); provided that (A) if the Holder and its Affiliates have used reasonable best efforts to obtain the Required Regulatory Approvals and such Required Regulatory Approvals are not obtained or (B) if any of the Required Regulatory Approvals are obtained but the approvals in connection therewith would impose a Burdensome Condition, then the Holder may transfer up to 5% of this Warrant and the underlying shares to a Person that is not an Permitted Transferee at the Holder's sole discretion, and, subject to the Company's prior written consent not to be unreasonably withheld (it being agreed that it shall not be unreasonable for the Company to withhold consent to any transfer that would require the registration of the Warrant (or any portion thereof), 5% or more of this Warrant and the underlying shares; provided, further: that (i) any transferee enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Warrant and the other restrictions contained in the Investment Agreement, dated August 11, 2021, by and among the Company and the Holder and (ii) following any partial transfer this Warrant shall remain exercisable only for all of the Warrant Shares by the

Holders thereof subject to the Cap. Upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney, this Warrant may be Transferred to a Permitted Transferee. In the case of any Permitted Transfer to a Permitted Transferee, if any such Permitted Transferee thereafter ceases to satisfy the definition of a Permitted Transferee, such person will re-convey this Warrant to the transferor or to another Permitted Transferee either (i) before such Person ceases to satisfy the definition of a Permitted Transferee, so long as such Person knows of its upcoming change of status prior thereto or (ii) if such change of status is not known until after its occurrence, then as soon as practicable after the earlier of such former Permitted Transferee receiving notice or having knowledge thereof. No purported Transfer of this Warrant will be effective if a purpose or effect of such purported Transfer is to circumvent the provisions of the Certificate of Incorporation, the Investment Agreement or this Warrant. The Holder shall, prior to or concurrently with any transfer of a Warrant, pay funds sufficient to pay any transfer taxes payable upon the making of such transfer.

(b) New Warrants. In connection with any Permitted Transfer, (i) this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney and (ii) the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial Issuance Date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise as set forth in Section 2(c)(i) (or, if applicable, such later date as contemplated by Section 2(c)(vii)).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of this Warrant, if mutilated, the Company will make and deliver a new Warrant of like tenor and dated as of such cancellation, in lieu of such Warrant.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Class A Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant, and, in the event the Holder becomes entitled to receive any other equity security of the Company (or security convertible into any other equity security of the Company) upon exercise of this Warrant, the Company will reserve a sufficient number of authorized but unissued shares of such equity securities to provide for the issuance of such equity securities upon exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Class A Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, (iv) will not create a new class of common stock of the Company, and (v) the Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. This Warrant, and all claims or causes of action (whether in contract, tort, statute or otherwise) that may be based upon, arising out of or relating to this Warrant or any of the transactions contemplated hereby or the negotiation, execution or performance of this Warrant (including any claim or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Warrant or as an inducement to enter into this Warrant), shall be governed by and construed in accordance with the internal laws of the State of Delaware, including its statute of limitations, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties hereto agrees, with respect to any action arising out of or relating to this Warrant or the transactions contemplated hereby, (i) to submit to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in and for New Castle County, Delaware, (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such court and (iii) agrees that it will not bring any such action in any court other than the Court of Chancery for the State of Delaware in and for New Castle County, Delaware, or, if (and only if) such court finds it lacks subject matter jurisdiction, the federal court of the United States of America sitting in Delaware, and appellate courts thereof, or, if (and only if) each of such Court of Chancery for the State of Delaware and such federal court finds it lacks subject matter jurisdiction, any state court within the State of Delaware. Service of process, summons, notice or document to any party's address and in the manner set forth in this Section 5(h) shall be effective service of process for any such action.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 80 E. Rich Street, Suite 500, Columbus, OH 43215, Attention: Jon Allison, General Counsel, email address: legal@joinroot.com, or such other email address or address as the Company may specify for such purposes by notice to the Holder. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to the Holder at the e-mail address or address of the Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the Party to whom such notice is required to be given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Class A Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(o) Entire Agreement. This Agreement, the Commercial Agreement and the Investment Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede (i) all prior oral or written proposals or agreements, (ii) all contemporaneous oral proposals or agreements, and (iii) all previous negotiations and all other communications or understandings between the parties, in each case with respect to the subject matter hereof.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ROOT, INC. (“Company”)

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating
Officer and Chief Financial Officer

Agreed to and accepted as of the date first above indicated:

CARVANA GROUP, LLC (“Holder”)

By: /s/ Paul Breaux

Name: Paul Breaux

Title: Vice President, General Counsel and
Secretary

NOTICE OF EXERCISE

TO: ROOT, INC.

(1) The undersigned hereby elects to purchase __ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box)

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection (c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name (if such person is a Permitted Transferee) as is specified below.

The undersigned hereby represents and warrants as follows:

(a) the undersigned is acquiring such shares of Common Stock for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933, as amended, and the regulations promulgated thereunder (the “Securities Act”); and

(b) (i) the undersigned is an “accredited investor” as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purposes of acquiring the Warrant or such shares of Common Stock or (ii) the undersigned is not a US Person as defined in Regulation S under the Securities Act, and the Warrant is not being exercised on behalf of a US Person. The undersigned’s financial condition is such that it is able to bear the risk of holding such securities for an indefinite period of time and the risk of loss of its entire investment. The undersigned has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of investment in the Company.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

LONG-TERM COMMON STOCK PURCHASE WARRANT

ROOT, INC.

Long-Term Tranche 3

Warrant Shares: 27,061,706

Issuance Date: October 1, 2021

THIS LONG-TERM COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, Carvana Group, LLC, a Delaware limited liability company, or its permitted successors or assigns (the “Holder”) is entitled, upon the terms and subject to the conditions hereinafter set forth, in whole or in part, at any time on or after the third (3rd) anniversary of the Reference Date (the “Initial Exercise Date”) through 5:00 p.m. (New York City time) on the fifth (5th) anniversary of the Reference Date unless earlier terminated as provided herein (the “Termination Date”) but not thereafter, to subscribe for and purchase from Root, Inc., a Delaware corporation (the “Company”), subject to the satisfaction of the Conditions to Exercise, 27,061,706 shares (as subject to adjustment hereunder, the “Warrant Shares”) of Class A Common Stock, which represents the number of shares of Common Stock that would constitute 6.0% of all issued and outstanding shares of Common Stock on a Fully Diluted basis as of August 11, 2021, assuming that the Holder has exercised all Warrants on a cash basis. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b) below.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Burdensome Condition” means an obligation take or refrain from taking or agreeing to its, its Affiliates or its or their Subsidiaries obligation to take or refrain from taking any action (including any amendment, waiver or termination of any agreement, exhibit or schedule, including this Warrants, the Investment Agreement, the Certificate of Designations, and the Commercial Agreement and the exhibits and schedules hereto or thereto) or to suffer to exist any limitation, action, restriction, condition or requirement which, individually or together with all other such limitations, actions, restrictions, conditions or requirements, that would, or would reasonably be expected to, have (i) a material adverse effect on the business, financial condition, assets and liabilities (considered together), operations or results of operations of Holder and its Affiliates or Subsidiaries, taken as a whole, or (ii) a material adverse effect on the aggregate economic benefits, taken as a whole, that, as of the date hereof, the Holder would reasonably be expected to obtain from the transactions contemplated by this Warrant.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company.

“Cap” means 29.9% of all issued and outstanding shares of Class A Common Stock on a Fully Diluted basis as of the Issuance date, assuming all Warrants owned by the Holder have been exercised on a cash basis.

“Carvana Group, LLC Warrants” means the Short-Term Warrants and the Long-Term Warrants.

“Class A Common Stock” means the Class A common stock of the Company, par value \$0.0001.

“Class B Common Stock” means the Class B common stock of the Company, par value \$0.0001.

“Commercial Agreement” means the Commercial Agreement entered into on the date hereof by the Company and the Holder.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the Class A Common Stock and the Class B Common Stock.

“Company Sale” means any merger, consolidation, or other business combination of the Company with an entity that is not an Affiliate of the Company that results in the stockholders of the Company immediately prior to such transaction being the beneficial owners of less than 50% of the equity securities of the successor or surviving company.

“Company Policies” has the meaning set forth in the Commercial Agreement.

“Conditions to Exercise” means that each of the following conditions have been met: (i) (a) the receipt of approval from the Delaware Insurance Commissioner of a Form A Filing and Pre-Acquisition Application pursuant to Delaware Insurance Code section 5003, or approval from the Delaware Insurance Commissioner of a disclaimer of affiliation, (b) the receipt of approval from the Ohio Director of Insurance of a Form A Filing pursuant to Ohio Insurance Code section 3901.321, or approval from the Ohio Director of Insurance of a disclaimer of affiliation and (c) any other consent, waiver or approval of any Governmental Authority that regulates insurance that is required by applicable Law; (ii) any required waiting period applicable to the Investment under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (and the rules and regulations promulgated thereunder) (the “HSR Act”), and any agreement between the parties, on the one hand, and the United States Department of Justice or the United States Federal Trade Commission, on the other hand, that prohibits the consummation of the Investment, shall have been terminated or shall have expired; (iii) the cumulative number of Company Policies issued exceeds 300,000; and (iv) upon exercise of this Warrant, (A) the aggregate number of shares of Common Stock the Company shall have issued under all Carvana Group, LLC Warrants does not exceed the Cap; provided, that the Cap shall be adjusted proportionately downward to reflect the effect of one of more issuances based on Cashless Exercise of any Warrant, and (B) after giving pro forma effect to such exercise, and subject to Section 2(c)(vii), the Holder and its controlled affiliates do not directly own more than 34.9% of the Company’s issued and outstanding Common Stock on Fully Diluted basis.

“Convertible Security” means evidences of indebtedness, shares of stock, rights or other securities (including, but not limited to options, warrants, and other rights for the purchase or other acquisition of Common Stock) which are directly or indirectly convertible, exercisable or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the onset of a specified date or the happening of a specified event.

“Ex-Dividend Date” means the first date on which shares of the Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Class A Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market

“Fair Market Value” means, as of any particular date (i) the closing sales price of the Class A Common Stock for such date on the Trading Market on which the Class A Common Stock is at the time be listed, (ii) if there have been no sales of the Class A Common Stock on such Trading Market on any such date, the average of the highest bid and lowest asked prices for the Class A Common Stock on the Trading Market at the end of such date, (iii) if on any such day the Class A Common Stock is not listed on a national securities exchange, the closing sales price of the Common Stock as quoted on the OTC for such date, (iv) if there have been no sales of the Class A Common Stock on the OTC on such date, the average of the highest bid and lowest asked prices for the Class A Common Stock quoted on the OTC at the end of such date or (v) if at any time the Class A Common Stock is not listed on any domestic securities exchange or quoted on the OTC, the fair market value per share as determined in good faith by the Board of Directors; provided, with respect to clause (v) the Holder is entitled to object to the fair market value per share determined by the Board of Directors and require, at the Company’s sole expense, such determination to be made by a nationally recognized investment banking, accounting or valuation firm that is reasonably acceptable to the Board of Directors.

“Fully Diluted” means, with respect to the Common Stock, as of a particular time the total outstanding shares of Common Stock as of such time, determined by treating all outstanding Convertible Securities (regardless of whether such Convertible Securities are at such time exercisable, convertible or exchangeable) as having been exercised, converted or exchanged (including the exercise, conversion or exchange of Convertible Securities underlying any such Convertible Securities, giving effect to any applicable caps on conversion).

“OTC” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic interdealer quotation system, the OTC Markets Group Inc. electronic interdealer quotation system, including OTCQX, OTCQB and OTC Pink, or any similar quotation system or association.

“Long-Term Warrants” means the warrants designated as Long Term Tranche 1, Long Term Tranche 2, Long Term Tranche 3, Long Term Tranche 4 and Long Term Tranche 5 issued by the Company to the Holder on the Issuance Date.

“Party” means either Company or Holder, as applicable.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Product Integration” the meaning set forth in the Commercial Agreement.

“Product Integration Date” the meaning set forth in the Commercial Agreement.

“Reference Date” means the earlier of (x) the Product Integration Date or (y) non-completion of Phase 1 of the Product Integration within 18 months from the date hereof.

“Required Regulatory Approvals” means the following governmental and regulatory approvals, consents, order and waivers: (i) a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer or a disclaimer of affiliation (the “Delaware Filing”) with the Delaware Department of Insurance with respect to Root Property & Casualty Insurance Company, (ii) a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer or a disclaimer of affiliation (the “Ohio Filing”) and, together with the Delaware Filings and including biographical affidavits, background information, questionnaires, financial statements and information, structure of Purchaser and its Affiliates and any amendments thereof or supplements thereto to the extent required under the Requirements of Laws, the “Insurance Filings”) with the Ohio Department of Insurance with respect to Root Insurance Company and (iii) if the Company becomes subject to regulation in any additional jurisdictions and the Holder agrees to prepare and file any regulatory filings in such jurisdictions as may be required to acquire control of an insurance company in such jurisdictions.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Short-Term Warrants” means the three year warrants designated as Tranche 1, Tranche 2 and Tranche 3 issued by the Company to the Holder on the Issuance Date.

“Trading Day” means a day on which the Trading Market is open for trading. If the Class A Common Stock is not listed on any Trading Market, then “Trading Day” means “Business Day.”

“Trading Market” means the Nasdaq Global Select Market or the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

“Transfer” means to, directly or indirectly, (i) sell, offer to sell, contract to sell, sell or grant any option, right or warrant to purchase, purchase or acquire any option to sell, or otherwise dispose or transfer any security or (ii) enter into any total-return swap, derivative or any other similar agreement or any similar transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of such securities, whether any such swap, derivative or other similar transaction is to be settled by delivery of reference securities, other securities, in cash or otherwise.

“Transfer Agent” means the Company and any successor transfer agent of the Company.

Section 2. Exercise.

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time (i) on or after the Initial Exercise Date and on or before the Termination Date or (ii) any time following a Fundamental Transaction (as defined below) occurring before the Initial Exercise Date (but subject to Section 3(d)(ii)), in each case subject to the satisfaction of the Conditions to Exercise, by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(c)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise in the form determined by the Company pursuant to Section 2(b). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company; provided, however, that the Holder may surrender this Warrant and receive a new Warrant pursuant to Section 2(c)(ii) hereof. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within two Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. Subject to applicable law or regulation, the exercisability of the this Warrant shall not preclude the Holder from electing, in its sole discretion, to exercise or convert any other right, option, warrant, convertible stock or other security of the Company (and the exercisability of the such other right, option, warrant, convertible stock or other security of the Company shall not preclude the Holder from exercising this Warrant).

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$15.00 per share, subject to adjustment hereunder (the "Exercise Price"). The Exercise Price shall be payable by a cash payment to the Company of the Exercise Price by wire transfer of immediately available funds to an account designated in writing by the Company; provided, however, that the Company may cause the Holder to receive, or the Holder may elect to receive, upon such exercise the "net number" of shares of Common Stock, where the Company will withhold a number of Warrant Shares (subject to Section 2(c)(v) hereof) then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the date of the Notice of Exercise equal to such Exercise Price (a "Cashless Exercise").

(c) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by book entry position, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) two (2) Trading Days after delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrant Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant at any time prior to the expiration of the Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to deliver to the Holder the Warrant Shares pursuant to Section 2(c)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) Conditional Exercise. Notwithstanding the foregoing, if an exercise of all or any portion of this Warrant is to be made in connection with a Fundamental Transaction, such exercise may at the election of the Holder be conditioned upon the consummation of such Fundamental Transaction. If the exercise of this Warrant is conditioned upon the consummation of a Fundamental Transaction, the Warrant Share Delivery Date shall be the date of such consummation and such exercise shall be deemed to be effective immediately prior to such consummation.

(v) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii) Delayed Exercise. If at any time an exercise of the purchase rights represented by this Warrant would result in Holder and its Affiliates owning more than 34.9% of the Company's issued and outstanding Common Stock at the time of exercise, then the Company shall have the right to delay the Warrant Share Delivery Date in order to obtain any necessary consents from lenders or other creditors that, if not obtained, would result in a breach of, or event of default under, any credit agreement, note or similar agreement.

Section 3. Certain Adjustments.

(a) Adjustments.

(i) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides (including by way of stock split) outstanding shares of Common Stock into a larger number of shares, or (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(ii) Issuance of Rights, Options or Warrants. If the Company issues to all of the record holders of its Class A Common Stock any rights, options or warrants entitling them, to subscribe for or purchase shares of the Common Stock (the "Purchase Rights") at a price per share that is less than the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, then the Exercise Price shall be decreased based on the following formula:

$$EP1 = EP0 \times ((OS0 + Y) \div (OS0 + X))$$

where,

"EP0" means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"EP1" means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

"OS0" means the number of shares of Common Stock outstanding immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"X" means the total number of shares of Common Stock issuable pursuant to such rights, options or warrants; and

"Y" means the number of shares of Common Stock equal to (i) the aggregate price payable to exercise such rights, options or warrants, divided by (ii) the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance.

Any decrease pursuant to this Section 3(a)(ii) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that shares of the Common Stock are not delivered after the expiration of such rights, options or warrants, the Exchange Price shall be increased to the Exchange Price that would then be in effect had the decrease in the exercise price been calculated on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, the Exchange Price shall be increased to the Exchange Rate that would then be in effect if such Ex-Dividend Date for such issuance had not occurred.

For purposes of this Section 3(a)(ii), in determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase shares of the Common Stock at a price per share that is less than such average of the Fair Market Value of the Common Stock for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors in good faith.

(iii) Distribution Transactions. If the Company distributes shares of its capital stock, evidences of its indebtedness, other assets or property or rights, options or warrants to acquire its Capital Stock or other securities, to all holders of record of the Class A Common Stock, excluding (a) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 3(a)(i) or Section 3(a)(ii), (b) dividends or distributions paid exclusively in cash (subject to Section 3(a)(iv)), (c) distributions in a transaction described in Section 3(b); and (d) Spin-Offs as to which the provisions set forth below in the second paragraph of this Section 3(a)(iii) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the “Distributed Property”), then the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - FMV) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading-Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

“FMV” means the fair market value (as determined by the Board of Directors) of the Distributed Property distributed with respect to each outstanding share of the Class A Common Stock on the Ex-Dividend Date for such distribution.

Any decrease made under the portion of this Section 3(a)(iii) above shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such dividend or distribution is not so paid, the Exercise Price shall be reset, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive at the same time and upon the same terms as holders of the Common Stock receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder had exercised this Warrant in full prior the distribution. If the Board of Directors determines the “FMV” (as defined above) of any distribution for purposes of this Section 3(a)(iii) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the Fair Market Value of the Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution. If the Company issues rights, options or warrants that are only exercisable upon the occurrence of certain triggering events, then the Company will not adjust the Exercise Price pursuant to the foregoing in this Section 3(a)(iii) until the earliest of these triggering events occurs, and the Company will readjust the Exercise Price to the extent any of these rights, options or warrants are not exercised before they expire; provided that the rights, options or warrants trade together with the Class A Common Stock and will be issued in respect of future issuances of the shares of the Class A Common Stock.

With respect to an adjustment pursuant to this Section 3(a)(iii) where there has been a payment of a dividend or other distribution on the Class A Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “Spin-Off”), the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times (MP_0 \div (FMV + MP_0))$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the close of business on the Effective Date of the Spin-Off;

“EP₁” means the Exercise Price in effect immediately after the close of business on the Effective Date of the Spin-Off;

“FMV” means the average Fair Market Value of the Capital Stock or similar equity interest distributed to holders of the Class A Common Stock applicable to one share of the Common Stock (determined by reference to the definition of Fair Market Value as if references therein to Common Stock were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the first day that the Spin-Off stock begins trading regular-way (the “Valuation Period”); and

“MP₀” means the average Fair Market Value of the Class A Common Stock over the Valuation Period.

The adjustment to the Exercise Price under the preceding paragraph will be calculated as of the open of business on the last Trading Day of the Valuation Period, but shall be given effect as of the close of business on the Effective Date of the Spin-Off. If the Warrant Share Delivery Date occurs during the related Valuation Period, the Company will pay or deliver, as the case may be, the cash, shares of its Class A Common Stock or a combination of cash and shares of its Common Stock, if any, on the third Business Day immediately following the last day of the Valuation Period, and the Person in whose name any shares of Class A Common Stock delivered upon conversion is registered shall be treated as a stockholder of record as of the close of business on the last Trading Day of the Valuation Period. If any distribution of the type described in this Section 3(a)(iii) is declared but not so made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to make such distribution, to the conversion rate that would then be in effect if such distribution had not been declared.

(iv) Cash Dividends. If any cash dividend or distribution is made to all holders of record of the Class A Common Stock, the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - C) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

“C” means the amount in cash per share the Company distributes to all or substantially all holders of its Class A Common Stock.

Any decrease pursuant to this Section 3(a)(iv) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Exercise Price shall be increased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive, at the same time and upon the same terms as holders of shares of the Class A Common Stock, the amount of cash that such Holder would have received if such Holder had exercised this Warrant in full prior the dividend or distribution.

(b) Fundamental Transaction. If, at any time while this Warrant is outstanding, subject to Section 3(d)(ii), (i) a Company Sale occurs or (ii) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder in its sole discretion, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Class A Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Class A Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Class A Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event that the Company elects to provide the Holder with a Sale Notice for a proposed Company Sale that would otherwise be considered a Fundamental Transaction, as described below in Section 3(d)(ii), this Section 3(b) shall not apply to such proposed Company Sale.

(c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(d) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Sale Notice. Notwithstanding anything to the contrary set forth in this Warrant, in the event of a proposed Company Sale, the Company may elect to give written notice to the Holder of the proposed Company Sale and treatment of the Warrant under this Section 3(d)(ii) (a "Sale Notice"). If provided, the Sale Notice will include the definitive agreement relating to the Company Sale unless the Company is contractually prohibited from providing a copy of such draft, in which case the Sale Notice will include a description of the material terms of the proposed Company Sale in reasonable detail. The Sale Notice, if elected to be provided by the Company, shall be provided no less than fifteen (15) Business Days prior to the anticipated closing date of the Company Sale and shall specify that the exercise in connection therewith shall be a Cashless Exercise unless the Company and Holder have agreed in writing that such Holder will pay in cash the aggregate Exercise Price with respect to such exercise in lieu of Cashless Exercise. If the Company has delivered such Sales Notice, this Warrant shall be automatically deemed exercised immediately prior to the closing date of the Company Sale; provided, however, if (a) subject to the partial vesting provided for in the final sentence of this Section 3(d)(ii), the Conditions to Exercise have not been satisfied as of the date of the Sale Notice or (b) the calculations pursuant to Cashless Exercise would not result in an obligation to deliver any Warrant Shares to the Holder, then, in each case, this Warrant shall be deemed terminated without payment as of the date of the Sale Notice and the Holder shall have no further rights with respect thereto. Section 3(b) shall not apply in the event of a Sale Notice is delivered with respect to a Company Sale that would otherwise be considered a Fundamental Transaction. For purposes of this Section 3(d)(ii), in the event that the Conditions to Exercise specified in clause (iii) of the definition thereof have not been fully satisfied, but the Conditions to Exercise in Long Term Warrant Tranche 2 have been satisfied in full, then this Warrant shall partially vest in connection with such Company Sale by multiplying the number of Warrant Shares by a fraction, the numerator of which is the cumulative number of Company Policies issued through the date of such Company Sale and the denominator of which is the number of Company Policies issued set forth in clause (iii) of the definition of Conditions to Exercise.

(iii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock (other than a regular dividend that is publicly announced in advance), (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. The Holder may not directly or indirectly Transfer all or any part of this Warrant other than to (i) a direct or indirect wholly-owned subsidiary of Carvana Group, LLC and (ii) subject to the Company's prior written consent not to be unreasonably withheld, any affiliates of the Carvana Group, LLC (each of (i) and (ii), a "Permitted Transferee" and such Transfer, a "Permitted Transfer"); provided that (A) if the Holder and its Affiliates have used reasonable best efforts to obtain the Required Regulatory Approvals and such Required Regulatory Approvals are not obtained or (B) if any of the Required Regulatory Approvals are obtained but the approvals in connection therewith would impose a Burdensome Condition, then the Holder may transfer up to 5% of this Warrant and the underlying shares to a Person that is not an Permitted Transferee at the Holder's sole discretion, and, subject to the Company's prior written consent not to be unreasonably withheld (it being agreed that it shall not be unreasonable for the Company to withhold consent to any transfer that would require the registration of the Warrant (or any portion thereof), 5% or more of this Warrant and the underlying shares; provided, further: that (i) any transferee enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Warrant and the other restrictions contained in the Investment Agreement, dated August 11, 2021, by and among the Company and the Holder and (ii) following any partial transfer this Warrant shall remain exercisable only for all of the Warrant Shares by the

Holders thereof subject to the Cap. Upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney, this Warrant may be Transferred to a Permitted Transferee. In the case of any Permitted Transfer to a Permitted Transferee, if any such Permitted Transferee thereafter ceases to satisfy the definition of a Permitted Transferee, such person will re-convey this Warrant to the transferor or to another Permitted Transferee either (i) before such Person ceases to satisfy the definition of a Permitted Transferee, so long as such Person knows of its upcoming change of status prior thereto or (ii) if such change of status is not known until after its occurrence, then as soon as practicable after the earlier of such former Permitted Transferee receiving notice or having knowledge thereof. No purported Transfer of this Warrant will be effective if a purpose or effect of such purported Transfer is to circumvent the provisions of the Certificate of Incorporation, the Investment Agreement or this Warrant. The Holder shall, prior to or concurrently with any transfer of a Warrant, pay funds sufficient to pay any transfer taxes payable upon the making of such transfer.

(b) New Warrants. In connection with any Permitted Transfer, (i) this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney and (ii) the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial Issuance Date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise as set forth in Section 2(c)(i) (or, if applicable, such later date as contemplated by Section 2(c)(vii)).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of this Warrant, if mutilated, the Company will make and deliver a new Warrant of like tenor and dated as of such cancellation, in lieu of such Warrant.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Class A Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant, and, in the event the Holder becomes entitled to receive any other equity security of the Company (or security convertible into any other equity security of the Company) upon exercise of this Warrant, the Company will reserve a sufficient number of authorized but unissued shares of such equity securities to provide for the issuance of such equity securities upon exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Class A Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, (iv) will not create a new class of common stock of the Company, and (v) the Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. This Warrant, and all claims or causes of action (whether in contract, tort, statute or otherwise) that may be based upon, arising out of or relating to this Warrant or any of the transactions contemplated hereby or the negotiation, execution or performance of this Warrant (including any claim or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Warrant or as an inducement to enter into this Warrant), shall be governed by and construed in accordance with the internal laws of the State of Delaware, including its statute of limitations, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties hereto agrees, with respect to any action arising out of or relating to this Warrant or the transactions contemplated hereby, (i) to submit to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in and for New Castle County, Delaware, (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such court and (iii) agrees that it will not bring any such action in any court other than the Court of Chancery for the State of Delaware in and for New Castle County, Delaware, or, if (and only if) such court finds it lacks subject matter jurisdiction, the federal court of the United States of America sitting in Delaware, and appellate courts thereof, or, if (and only if) each of such Court of Chancery for the State of Delaware and such federal court finds it lacks subject matter jurisdiction, any state court within the State of Delaware. Service of process, summons, notice or document to any party's address and in the manner set forth in this Section 5(h) shall be effective service of process for any such action.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 80 E. Rich Street, Suite 500, Columbus, OH 43215, Attention: Jon Allison, General Counsel, email address: legal@joinroot.com, or such other email address or address as the Company may specify for such purposes by notice to the Holder. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to the Holder at the e-mail address or address of the Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the Party to whom such notice is required to be given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Class A Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(o) Entire Agreement. This Agreement, the Commercial Agreement and the Investment Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede (i) all prior oral or written proposals or agreements, (ii) all contemporaneous oral proposals or agreements, and (iii) all previous negotiations and all other communications or understandings between the parties, in each case with respect to the subject matter hereof.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ROOT, INC. (“Company”)

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating

Officer and Chief Financial Officer

Agreed to and accepted as of the date first above indicated:

CARVANA GROUP, LLC (“Holder”)

By: /s/ Paul Breaux

Name: Paul Breaux

Title: Vice President, General Counsel and
Secretary

NOTICE OF EXERCISE

TO: ROOT, INC.

(1) The undersigned hereby elects to purchase __ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box)

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection (c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name (if such person is a Permitted Transferee) as is specified below.

The undersigned hereby represents and warrants as follows:

(a) the undersigned is acquiring such shares of Common Stock for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933, as amended, and the regulations promulgated thereunder (the "Securities Act"); and

(b) (i) the undersigned is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purposes of acquiring the Warrant or such shares of Common Stock or (ii) the undersigned is not a US Person as defined in Regulation S under the Securities Act, and the Warrant is not being exercised on behalf of a US Person. The undersigned's financial condition is such that it is able to bear the risk of holding such securities for an indefinite period of time and the risk of loss of its entire investment. The undersigned has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of investment in the Company.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number:

Email Address:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

LONG-TERM COMMON STOCK PURCHASE WARRANT

ROOT, INC.

Long-Term Tranche 4

Warrant Shares: 26,146,576

Issuance Date: October 1, 2021

THIS LONG-TERM COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, Carvana Group, LLC, a Delaware limited liability company, or its permitted successors or assigns (the “Holder”) is entitled, upon the terms and subject to the conditions hereinafter set forth, in whole or in part, at any time on or after the third (3rd) anniversary of the Reference Date (the “Initial Exercise Date”) through 5:00 p.m. (New York City time) on the fifth (5th) anniversary of the Reference Date unless earlier terminated as provided herein (the “Termination Date”) but not thereafter, to subscribe for and purchase from Root, Inc., a Delaware corporation (the “Company”), subject to the satisfaction of the Conditions to Exercise, 26,146,576 shares (as subject to adjustment hereunder, the “Warrant Shares”) of Class A Common Stock, which represents the number of shares of Common Stock that would constitute 5.0% of all issued and outstanding shares of Common Stock on a Fully Diluted basis as of August 11, 2021, assuming that the Holder has exercised all Warrants on a cash basis. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b) below.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Burdensome Condition” means an obligation take or refrain from taking or agreeing to its, its Affiliates or its or their Subsidiaries obligation to take or refrain from taking any action (including any amendment, waiver or termination of any agreement, exhibit or schedule, including this Warrants, the Investment Agreement, the Certificate of Designations, and the Commercial Agreement and the exhibits and schedules hereto or thereto) or to suffer to exist any limitation, action, restriction, condition or requirement which, individually or together with all other such limitations, actions, restrictions, conditions or requirements, that would, or would reasonably be expected to, have (i) a material adverse effect on the business, financial condition, assets and liabilities (considered together), operations or results of operations of Holder and its Affiliates or Subsidiaries, taken as a whole, or (ii) a material adverse effect on the aggregate economic benefits, taken as a whole, that, as of the date hereof, the Holder would reasonably be expected to obtain from the transactions contemplated by this Warrant.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company.

“Cap” means 29.9% of all issued and outstanding shares of Class A Common Stock on a Fully Diluted basis as of the Issuance date, assuming all Warrants owned by the Holder have been exercised on a cash basis.

“Carvana Group, LLC Warrants” means the Short-Term Warrants and the Long-Term Warrants.

“Class A Common Stock” means the Class A common stock of the Company, par value \$0.0001.

“Class B Common Stock” means the Class B common stock of the Company, par value \$0.0001.

“Commercial Agreement” means the Commercial Agreement entered into on the date hereof by the Company and the Holder.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the Class A Common Stock and the Class B Common Stock.

“Company Sale” means any merger, consolidation, or other business combination of the Company with an entity that is not an Affiliate of the Company that results in the stockholders of the Company immediately prior to such transaction being the beneficial owners of less than 50% of the equity securities of the successor or surviving company.

“Company Policies” has the meaning set forth in the Commercial Agreement.

“Conditions to Exercise” means that each of the following conditions have been met: (i) (a) the receipt of approval from the Delaware Insurance Commissioner of a Form A Filing and Pre-Acquisition Application pursuant to Delaware Insurance Code section 5003, or approval from the Delaware Insurance Commissioner of a disclaimer of affiliation, (b) the receipt of approval from the Ohio Director of Insurance of a Form A Filing pursuant to Ohio Insurance Code section 3901.321, or approval from the Ohio Director of Insurance of a disclaimer of affiliation and (c) any other consent, waiver or approval of any Governmental Authority that regulates insurance that is required by applicable Law; (ii) any required waiting period applicable to the Investment under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (and the rules and regulations promulgated thereunder) (the “HSR Act”), and any agreement between the parties, on the one hand, and the United States Department of Justice or the United States Federal Trade Commission, on the other hand, that prohibits the consummation of the Investment, shall have been terminated or shall have expired; (iii) the cumulative number of Company Policies issued exceeds 400,000; and (iv) upon exercise of this Warrant, (A) the aggregate number of shares of Common Stock the Company shall have issued under all Carvana Group, LLC Warrants does not exceed the Cap; provided, that the Cap shall be adjusted proportionately downward to reflect the effect of one of more issuances based on Cashless Exercise of any Warrant, and (B) after giving pro forma effect to such exercise, and subject to Section 2(c)(vii), the Holder and its controlled affiliates do not directly own more than 34.9% of the Company’s issued and outstanding Common Stock on Fully Diluted basis.

“Convertible Security” means evidences of indebtedness, shares of stock, rights or other securities (including, but not limited to options, warrants, and other rights for the purchase or other acquisition of Common Stock) which are directly or indirectly convertible, exercisable or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the onset of a specified date or the happening of a specified event.

“Ex-Dividend Date” means the first date on which shares of the Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Class A Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market

“Fair Market Value” means, as of any particular date (i) the closing sales price of the Class A Common Stock for such date on the Trading Market on which the Class A Common Stock is at the time be listed, (ii) if there have been no sales of the Class A Common Stock on such Trading Market on any such date, the average of the highest bid and lowest asked prices for the Class A Common Stock on the Trading Market at the end of such date, (iii) if on any such day the Class A Common Stock is not listed on a national securities exchange, the closing sales price of the Common Stock as quoted on the OTC for such date, (iv) if there have been no sales of the Class A Common Stock on the OTC on such date, the average of the highest bid and lowest asked prices for the Class A Common Stock quoted on the OTC at the end of such date or (v) if at any time the Class A Common Stock is not listed on any domestic securities exchange or quoted on the OTC, the fair market value per share as determined in good faith by the Board of Directors; provided, with respect to clause (v) the Holder is entitled to object to the fair market value per share determined by the Board of Directors and require, at the Company’s sole expense, such determination to be made by a nationally recognized investment banking, accounting or valuation firm that is reasonably acceptable to the Board of Directors.

“Fully Diluted” means, with respect to the Common Stock, as of a particular time the total outstanding shares of Common Stock as of such time, determined by treating all outstanding Convertible Securities (regardless of whether such Convertible Securities are at such time exercisable, convertible or exchangeable) as having been exercised, converted or exchanged (including the exercise, conversion or exchange of Convertible Securities underlying any such Convertible Securities, giving effect to any applicable caps on conversion).

“OTC” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic interdealer quotation system, the OTC Markets Group Inc. electronic interdealer quotation system, including OTCQX, OTCQB and OTC Pink, or any similar quotation system or association.

“Long-Term Warrants” means the warrants designated as Long Term Tranche 1, Long Term Tranche 2, Long Term Tranche 3, Long Term Tranche 4 and Long Term Tranche 5 issued by the Company to the Holder on the Issuance Date.

“Party” means either Company or Holder, as applicable.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Product Integration” the meaning set forth in the Commercial Agreement.

“Product Integration Date” the meaning set forth in the Commercial Agreement.

“Reference Date” means the earlier of (x) the Product Integration Date or (y) non-completion of Phase 1 of the Product Integration within 18 months from the date hereof.

“Required Regulatory Approvals” means the following governmental and regulatory approvals, consents, order and waivers: (i) a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer or a disclaimer of affiliation (the “Delaware Filing”) with the Delaware Department of Insurance with respect to Root Property & Casualty Insurance Company, (ii) a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer or a disclaimer of affiliation (the “Ohio Filing”) and, together with the Delaware Filings and including biographical affidavits, background information, questionnaires, financial statements and information, structure of Purchaser and its Affiliates and any amendments thereof or supplements thereto to the extent required under the Requirements of Laws, the “Insurance Filings”) with the Ohio Department of Insurance with respect to Root Insurance Company and (iii) if the Company becomes subject to regulation in any additional jurisdictions and the Holder agrees to prepare and file any regulatory filings in such jurisdictions as may be required to acquire control of an insurance company in such jurisdictions.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Short-Term Warrants” means the three year warrants designated as Tranche 1, Tranche 2 and Tranche 3 issued by the Company to the Holder on the Issuance Date.

“Trading Day” means a day on which the Trading Market is open for trading. If the Class A Common Stock is not listed on any Trading Market, then “Trading Day” means “Business Day.”

“Trading Market” means the Nasdaq Global Select Market or the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

“Transfer” means to, directly or indirectly, (i) sell, offer to sell, contract to sell, sell or grant any option, right or warrant to purchase, purchase or acquire any option to sell, or otherwise dispose or transfer any security or (ii) enter into any total-return swap, derivative or any other similar agreement or any similar transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of such securities, whether any such swap, derivative or other similar transaction is to be settled by delivery of reference securities, other securities, in cash or otherwise.

“Transfer Agent” means the Company and any successor transfer agent of the Company.

Section 2. Exercise.

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time (i) on or after the Initial Exercise Date and on or before the Termination Date or (ii) any time following a Fundamental Transaction (as defined below) occurring before the Initial Exercise Date (but subject to Section 3(d)(ii)), in each case subject to the satisfaction of the Conditions to Exercise, by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(c)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise in the form determined by the Company pursuant to Section 2(b). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company; provided, however, that the Holder may surrender this Warrant and receive a new Warrant pursuant to Section 2(c)(ii) hereof. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within two Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. Subject to applicable law or regulation, the exercisability of the this Warrant shall not preclude the Holder from electing, in its sole discretion, to exercise or convert any other right, option, warrant, convertible stock or other security of the Company (and the exercisability of the such other right, option, warrant, convertible stock or other security of the Company shall not preclude the Holder from exercising this Warrant).

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$22.50 per share, subject to adjustment hereunder (the "Exercise Price"). The Exercise Price shall be payable by a cash payment to the Company of the Exercise Price by wire transfer of immediately available funds to an account designated in writing by the Company; provided, however, that the Company may cause the Holder to receive, or the Holder may elect to receive, upon such exercise the "net number" of shares of Common Stock, where the Company will withhold a number of Warrant Shares (subject to Section 2(c)(v) hereof) then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the date of the Notice of Exercise equal to such Exercise Price (a "Cashless Exercise").

(c) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by book entry position, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) two (2) Trading Days after delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrant Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant at any time prior to the expiration of the Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to deliver to the Holder the Warrant Shares pursuant to Section 2(c)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) Conditional Exercise. Notwithstanding the foregoing, if an exercise of all or any portion of this Warrant is to be made in connection with a Fundamental Transaction, such exercise may at the election of the Holder be conditioned upon the consummation of such Fundamental Transaction. If the exercise of this Warrant is conditioned upon the consummation of a Fundamental Transaction, the Warrant Share Delivery Date shall be the date of such consummation and such exercise shall be deemed to be effective immediately prior to such consummation.

(v) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii) Delayed Exercise. If at any time an exercise of the purchase rights represented by this Warrant would result in Holder and its Affiliates owning more than 34.9% of the Company's issued and outstanding Common Stock at the time of exercise, then the Company shall have the right to delay the Warrant Share Delivery Date in order to obtain any necessary consents from lenders or other creditors that, if not obtained, would result in a breach of, or event of default under, any credit agreement, note or similar agreement.

Section 3. Certain Adjustments.

(a) Adjustments.

(i) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides (including by way of stock split) outstanding shares of Common Stock into a larger number of shares, or (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(ii) Issuance of Rights, Options or Warrants. If the Company issues to all of the record holders of its Class A Common Stock any rights, options or warrants entitling them, to subscribe for or purchase shares of the Common Stock (the "Purchase Rights") at a price per share that is less than the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, then the Exercise Price shall be decreased based on the following formula:

$$EP1 = EP0 \times ((OS0 + Y) \div (OS0 + X))$$

where,

"EP0" means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"EP1" means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

"OS0" means the number of shares of Common Stock outstanding immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"X" means the total number of shares of Common Stock issuable pursuant to such rights, options or warrants; and

"Y" means the number of shares of Common Stock equal to (i) the aggregate price payable to exercise such rights, options or warrants, divided by (ii) the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance.

Any decrease pursuant to this Section 3(a)(ii) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that shares of the Common Stock are not delivered after the expiration of such rights, options or warrants, the Exchange Price shall be increased to the Exchange Price that would then be in effect had the decrease in the exercise price been calculated on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, the Exchange Price shall be increased to the Exchange Rate that would then be in effect if such Ex-Dividend Date for such issuance had not occurred.

For purposes of this Section 3(a)(ii), in determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase shares of the Common Stock at a price per share that is less than such average of the Fair Market Value of the Common Stock for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors in good faith.

(iii) Distribution Transactions. If the Company distributes shares of its capital stock, evidences of its indebtedness, other assets or property or rights, options or warrants to acquire its Capital Stock or other securities, to all holders of record of the Class A Common Stock, excluding (a) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 3(a)(i) or Section 3(a)(ii), (b) dividends or distributions paid exclusively in cash (subject to Section 3(a)(iv)), (c) distributions in a transaction described in Section 3(b); and (d) Spin-Offs as to which the provisions set forth below in the second paragraph of this Section 3(a)(iii) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the “Distributed Property”), then the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - FMV) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading-Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

“FMV” means the fair market value (as determined by the Board of Directors) of the Distributed Property distributed with respect to each outstanding share of the Class A Common Stock on the Ex-Dividend Date for such distribution.

Any decrease made under the portion of this Section 3(a)(iii) above shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such dividend or distribution is not so paid, the Exercise Price shall be reset, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive at the same time and upon the same terms as holders of the Common Stock receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder had exercised this Warrant in full prior the distribution. If the Board of Directors determines the “FMV” (as defined above) of any distribution for purposes of this Section 3(a)(iii) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the Fair Market Value of the Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution. If the Company issues rights, options or warrants that are only exercisable upon the occurrence of certain triggering events, then the Company will not adjust the Exercise Price pursuant to the foregoing in this Section 3(a)(iii) until the earliest of these triggering events occurs, and the Company will readjust the Exercise Price to the extent any of these rights, options or warrants are not exercised before they expire; provided that the rights, options or warrants trade together with the Class A Common Stock and will be issued in respect of future issuances of the shares of the Class A Common Stock.

With respect to an adjustment pursuant to this Section 3(a)(iii) where there has been a payment of a dividend or other distribution on the Class A Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “Spin-Off”), the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times (MP_0 \div (FMV + MP_0))$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the close of business on the Effective Date of the Spin-Off;

“EP₁” means the Exercise Price in effect immediately after the close of business on the Effective Date of the Spin-Off;

“FMV” means the average Fair Market Value of the Capital Stock or similar equity interest distributed to holders of the Class A Common Stock applicable to one share of the Common Stock (determined by reference to the definition of Fair Market Value as if references therein to Common Stock were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the first day that the Spin-Off stock begins trading regular-way (the “Valuation Period”); and

“MP₀” means the average Fair Market Value of the Class A Common Stock over the Valuation Period.

The adjustment to the Exercise Price under the preceding paragraph will be calculated as of the open of business on the last Trading Day of the Valuation Period, but shall be given effect as of the close of business on the Effective Date of the Spin-Off. If the Warrant Share Delivery Date occurs during the related Valuation Period, the Company will pay or deliver, as the case may be, the cash, shares of its Class A Common Stock or a combination of cash and shares of its Common Stock, if any, on the third Business Day immediately following the last day of the Valuation Period, and the Person in whose name any shares of Class A Common Stock delivered upon conversion is registered shall be treated as a stockholder of record as of the close of business on the last Trading Day of the Valuation Period. If any distribution of the type described in this Section 3(a)(iii) is declared but not so made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to make such distribution, to the conversion rate that would then be in effect if such distribution had not been declared.

(iv) Cash Dividends. If any cash dividend or distribution is made to all holders of record of the Class A Common Stock, the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - C) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

“C” means the amount in cash per share the Company distributes to all or substantially all holders of its Class A Common Stock.

Any decrease pursuant to this Section 3(a)(iv) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Exercise Price shall be increased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive, at the same time and upon the same terms as holders of shares of the Class A Common Stock, the amount of cash that such Holder would have received if such Holder had exercised this Warrant in full prior the dividend or distribution.

(b) Fundamental Transaction. If, at any time while this Warrant is outstanding, subject to Section 3(d)(ii), (i) a Company Sale occurs or (ii) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder in its sole discretion, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Class A Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Class A Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Class A Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event that the Company elects to provide the Holder with a Sale Notice for a proposed Company Sale that would otherwise be considered a Fundamental Transaction, as described below in Section 3(d)(ii), this Section 3(b) shall not apply to such proposed Company Sale.

(c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(d) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Sale Notice. Notwithstanding anything to the contrary set forth in this Warrant, in the event of a proposed Company Sale, the Company may elect to give written notice to the Holder of the proposed Company Sale and treatment of the Warrant under this Section 3(d)(ii) (a "Sale Notice"). If provided, the Sale Notice will include the definitive agreement relating to the Company Sale unless the Company is contractually prohibited from providing a copy of such draft, in which case the Sale Notice will include a description of the material terms of the proposed Company Sale in reasonable detail. The Sale Notice, if elected to be provided by the Company, shall be provided no less than fifteen (15) Business Days prior to the anticipated closing date of the Company Sale and shall specify that the exercise in connection therewith shall be a Cashless Exercise unless the Company and Holder have agreed in writing that such Holder will pay in cash the aggregate Exercise Price with respect to such exercise in lieu of Cashless Exercise. If the Company has delivered such Sales Notice, this Warrant shall be automatically deemed exercised immediately prior to the closing date of the Company Sale; provided, however, if (a) subject to the partial vesting provided for in the final sentence of this Section 3(d)(ii), the Conditions to Exercise have not been satisfied as of the date of the Sale Notice or (b) the calculations pursuant to Cashless Exercise would not result in an obligation to deliver any Warrant Shares to the Holder, then, in each case, this Warrant shall be deemed terminated without payment as of the date of the Sale Notice and the Holder shall have no further rights with respect thereto. Section 3(b) shall not apply in the event of a Sale Notice is delivered with respect to a Company Sale that would otherwise be considered a Fundamental Transaction. For purposes of this Section 3(d)(ii), in the event that the Conditions to Exercise specified in clause (iii) of the definition thereof have not been fully satisfied, but the Conditions to Exercise in Long Term Warrant Tranche 3 have been satisfied in full, then this Warrant shall partially vest in connection with such Company Sale by multiplying the number of Warrant Shares by a fraction, the numerator of which is the cumulative number of Company Policies issued through the date of such Company Sale and the denominator of which is the number of Company Policies issued set forth in clause (iii) of the definition of Conditions to Exercise.

(iii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock (other than a regular dividend that is publicly announced in advance), (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. The Holder may not directly or indirectly Transfer all or any part of this Warrant other than to (i) a direct or indirect wholly-owned subsidiary of Carvana Group, LLC and (ii) subject to the Company's prior written consent not to be unreasonably withheld, any affiliates of the Carvana Group, LLC (each of (i) and (ii), a "Permitted Transferee" and such Transfer, a "Permitted Transfer"); provided that (A) if the Holder and its Affiliates have used reasonable best efforts to obtain the Required Regulatory Approvals and such Required Regulatory Approvals are not obtained or (B) if any of the Required Regulatory Approvals are obtained but the approvals in connection therewith would impose a Burdensome Condition, then the Holder may transfer up to 5% of this Warrant and the underlying shares to a Person that is not an Permitted Transferee at the Holder's sole discretion, and, subject to the Company's prior written consent not to be unreasonably withheld (it being agreed that it shall not be unreasonable for the Company to withhold consent to any transfer that would require the registration of the Warrant (or any portion thereof), 5% or more of this Warrant and the underlying shares; provided, further: that (i) any transferee enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Warrant and the other restrictions contained in the Investment Agreement, dated August 11, 2021, by and among the Company and the Holder and (ii) following any partial transfer this Warrant shall remain exercisable only for all of the Warrant Shares by the

Holders thereof subject to the Cap. Upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney, this Warrant may be Transferred to a Permitted Transferee. In the case of any Permitted Transfer to a Permitted Transferee, if any such Permitted Transferee thereafter ceases to satisfy the definition of a Permitted Transferee, such person will re-convey this Warrant to the transferor or to another Permitted Transferee either (i) before such Person ceases to satisfy the definition of a Permitted Transferee, so long as such Person knows of its upcoming change of status prior thereto or (ii) if such change of status is not known until after its occurrence, then as soon as practicable after the earlier of such former Permitted Transferee receiving notice or having knowledge thereof. No purported Transfer of this Warrant will be effective if a purpose or effect of such purported Transfer is to circumvent the provisions of the Certificate of Incorporation, the Investment Agreement or this Warrant. The Holder shall, prior to or concurrently with any transfer of a Warrant, pay funds sufficient to pay any transfer taxes payable upon the making of such transfer.

(b) New Warrants. In connection with any Permitted Transfer, (i) this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney and (ii) the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial Issuance Date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise as set forth in Section 2(c)(i) (or, if applicable, such later date as contemplated by Section 2(c)(vii)).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of this Warrant, if mutilated, the Company will make and deliver a new Warrant of like tenor and dated as of such cancellation, in lieu of such Warrant.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Class A Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant, and, in the event the Holder becomes entitled to receive any other equity security of the Company (or security convertible into any other equity security of the Company) upon exercise of this Warrant, the Company will reserve a sufficient number of authorized but unissued shares of such equity securities to provide for the issuance of such equity securities upon exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Class A Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, (iv) will not create a new class of common stock of the Company, and (v) the Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. This Warrant, and all claims or causes of action (whether in contract, tort, statute or otherwise) that may be based upon, arising out of or relating to this Warrant or any of the transactions contemplated hereby or the negotiation, execution or performance of this Warrant (including any claim or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Warrant or as an inducement to enter into this Warrant), shall be governed by and construed in accordance with the internal laws of the State of Delaware, including its statute of limitations, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties hereto agrees, with respect to any action arising out of or relating to this Warrant or the transactions contemplated hereby, (i) to submit to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in and for New Castle County, Delaware, (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such court and (iii) agrees that it will not bring any such action in any court other than the Court of Chancery for the State of Delaware in and for New Castle County, Delaware, or, if (and only if) such court finds it lacks subject matter jurisdiction, the federal court of the United States of America sitting in Delaware, and appellate courts thereof, or, if (and only if) each of such Court of Chancery for the State of Delaware and such federal court finds it lacks subject matter jurisdiction, any state court within the State of Delaware. Service of process, summons, notice or document to any party's address and in the manner set forth in this Section 5(h) shall be effective service of process for any such action.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 80 E. Rich Street, Suite 500, Columbus, OH 43215, Attention: Jon Allison, General Counsel, email address: legal@joinroot.com, or such other email address or address as the Company may specify for such purposes by notice to the Holder. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to the Holder at the e-mail address or address of the Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the Party to whom such notice is required to be given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Class A Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(o) Entire Agreement. This Agreement, the Commercial Agreement and the Investment Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede (i) all prior oral or written proposals or agreements, (ii) all contemporaneous oral proposals or agreements, and (iii) all previous negotiations and all other communications or understandings between the parties, in each case with respect to the subject matter hereof.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ROOT, INC. (“Company”)

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating
Officer and Chief Financial Officer

Agreed to and accepted as of the date first above indicated:

CARVANA GROUP, LLC (“Holder”)

By: /s/ Paul Breaux

Name: Paul Breaux

Title: Vice President, General Counsel and
Secretary

NOTICE OF EXERCISE

TO: ROOT, INC.

(1) The undersigned hereby elects to purchase __ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box)

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection (c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name (if such person is a Permitted Transferee) as is specified below.

The undersigned hereby represents and warrants as follows:

(a) the undersigned is acquiring such shares of Common Stock for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933, as amended, and the regulations promulgated thereunder (the “Securities Act”); and

(b) (i) the undersigned is an “accredited investor” as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purposes of acquiring the Warrant or such shares of Common Stock or (ii) the undersigned is not a US Person as defined in Regulation S under the Securities Act, and the Warrant is not being exercised on behalf of a US Person. The undersigned’s financial condition is such that it is able to bear the risk of holding such securities for an indefinite period of time and the risk of loss of its entire investment. The undersigned has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of investment in the Company.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number:

Email Address:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND APPLICABLE STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (I) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR (IF REQUESTED BY THE COMPANY) TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY OR (II) RULE 144 PROMULGATED UNDER THE SECURITIES ACT.

LONG-TERM COMMON STOCK PURCHASE WARRANT

ROOT, INC.

Long-Term Tranche 5

Warrant Shares: 23,182,494

Issuance Date: October 1, 2021

THIS LONG-TERM COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, Carvana Group, LLC, a Delaware limited liability company, or its permitted successors or assigns (the “Holder”) is entitled, upon the terms and subject to the conditions hereinafter set forth, in whole or in part, at any time on or after the third (3rd) anniversary of the Reference Date (the “Initial Exercise Date”) through 5:00 p.m. (New York City time) on the fifth (5th) anniversary of the Reference Date unless earlier terminated as provided herein (the “Termination Date”) but not thereafter, to subscribe for and purchase from Root, Inc., a Delaware corporation (the “Company”), subject to the satisfaction of the Conditions to Exercise, 23,182,494 shares (as subject to adjustment hereunder, the “Warrant Shares”) of Class A Common Stock, which represents the number of shares of Common Stock that would constitute 3.9% of all issued and outstanding shares of Common Stock on a Fully Diluted basis as of the August 11, 2021, assuming that the Holder has exercised all Warrants on a cash basis. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b) below.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Board of Directors” means the board of directors of the Company.

“Burdensome Condition” means an obligation take or refrain from taking or agreeing to its, its Affiliates or its or their Subsidiaries obligation to take or refrain from taking any action (including any amendment, waiver or termination of any agreement, exhibit or schedule, including this Warrants, the Investment Agreement, the Certificate of Designations, and the Commercial Agreement and the exhibits and schedules hereto or thereto) or to suffer to exist any limitation, action, restriction, condition or requirement which, individually or together with all other such limitations, actions, restrictions, conditions or requirements, that would, or would reasonably be expected to, have (i) a material adverse effect on the business, financial condition, assets and liabilities (considered together), operations or results of operations of Holder and its Affiliates or Subsidiaries, taken as a whole, or (ii) a material adverse effect on the aggregate economic benefits, taken as a whole, that, as of the date hereof, the Holder would reasonably be expected to obtain from the transactions contemplated by this Warrant.

“Business Day” means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company.

“Cap” means 29.9% of all issued and outstanding shares of Class A Common Stock on a Fully Diluted basis as of the Issuance date, assuming all Warrants owned by the Holder have been exercised on a cash basis.

“Carvana Group, LLC Warrants” means the Short-Term Warrants and the Long-Term Warrants.

“Class A Common Stock” means the Class A common stock of the Company, par value \$0.0001.

“Class B Common Stock” means the Class B common stock of the Company, par value \$0.0001.

“Commercial Agreement” means the Commercial Agreement entered into on the date hereof by the Company and the Holder.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the Class A Common Stock and the Class B Common Stock.

“Company Sale” means any merger, consolidation, or other business combination of the Company with an entity that is not an Affiliate of the Company that results in the stockholders of the Company immediately prior to such transaction being the beneficial owners of less than 50% of the equity securities of the successor or surviving company.

“Company Policies” has the meaning set forth in the Commercial Agreement.

“Conditions to Exercise” means that each of the following conditions have been met: (i) (a) the receipt of approval from the Delaware Insurance Commissioner of a Form A Filing and Pre-Acquisition Application pursuant to Delaware Insurance Code section 5003, or approval from the Delaware Insurance Commissioner of a disclaimer of affiliation, (b) the receipt of approval from the Ohio Director of Insurance of a Form A Filing pursuant to Ohio Insurance Code section 3901.321, or approval from the Ohio Director of Insurance of a disclaimer of affiliation and (c) any other consent, waiver or approval of any Governmental Authority that regulates insurance that is required by applicable Law; (ii) any required waiting period applicable to the Investment under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (and the rules and regulations promulgated thereunder) (the “HSR Act”), and any agreement between the parties, on the one hand, and the United States Department of Justice or the United States Federal Trade Commission, on the other hand, that prohibits the consummation of the Investment, shall have been terminated or shall have expired; (iii) the cumulative number of Company Policies issued exceeds 500,000; and (iv) upon exercise of this Warrant, (A) the aggregate number of shares of Common Stock the Company shall have issued under all Carvana Group, LLC Warrants does not exceed the Cap; provided, that the Cap shall be adjusted proportionately downward to reflect the effect of one of more issuances based on Cashless Exercise of any Warrant, and (B) after giving pro forma effect to such exercise, and subject to Section 2(c)(vii), the Holder and its controlled affiliates do not directly own more than 34.9% of the Company’s issued and outstanding Common Stock on Fully Diluted basis.

“Convertible Security” means evidences of indebtedness, shares of stock, rights or other securities (including, but not limited to options, warrants, and other rights for the purchase or other acquisition of Common Stock) which are directly or indirectly convertible, exercisable or exchangeable, with or without payment of additional consideration in cash or property, for shares of Common Stock, either immediately or upon the onset of a specified date or the happening of a specified event.

“Ex-Dividend Date” means the first date on which shares of the Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive the issuance, dividend or distribution in question, from the Company or, if applicable, from the seller of Class A Common Stock on such exchange or market (in the form of due bills or otherwise) as determined by such exchange or market.

“Fair Market Value” means, as of any particular date (i) the closing sales price of the Class A Common Stock for such date on the Trading Market on which the Class A Common Stock is at the time be listed, (ii) if there have been no sales of the Class A Common Stock on such Trading Market on any such date, the average of the highest bid and lowest asked prices for the Class A Common Stock on the Trading Market at the end of such date, (iii) if on any such day the Class A Common Stock is not listed on a national securities exchange, the closing sales price of the Common Stock as quoted on the OTC for such date, (iv) if there have been no sales of the Class A Common Stock on the OTC on such date, the average of the highest bid and lowest asked prices for the Class A Common Stock quoted on the OTC at the end of such date or (v) if at any time the Class A Common Stock is not listed on any domestic securities exchange or quoted on the OTC, the fair market value per share as determined in good faith by the Board of Directors; provided, with respect to clause (v) the Holder is entitled to object to the fair market value per share determined by the Board of Directors and require, at the Company’s sole expense, such determination to be made by a nationally recognized investment banking, accounting or valuation firm that is reasonably acceptable to the Board of Directors.

“Fully Diluted” means, with respect to the Common Stock, as of a particular time the total outstanding shares of Common Stock as of such time, determined by treating all outstanding Convertible Securities (regardless of whether such Convertible Securities are at such time exercisable, convertible or exchangeable) as having been exercised, converted or exchanged (including the exercise, conversion or exchange of Convertible Securities underlying any such Convertible Securities, giving effect to any applicable caps on conversion).

“OTC” means the Financial Industry Regulatory Authority OTC Bulletin Board electronic interdealer quotation system, the OTC Markets Group Inc. electronic interdealer quotation system, including OTCQX, OTCQB and OTC Pink, or any similar quotation system or association.

“Long-Term Warrants” means the warrants designated as Long Term Tranche 1, Long Term Tranche 2, Long Term Tranche 3, Long Term Tranche 4 and Long Term Tranche 5 issued by the Company to the Holder on the Issuance Date.

“Party” means either Company or Holder, as applicable.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Product Integration” the meaning set forth in the Commercial Agreement.

“Product Integration Date” the meaning set forth in the Commercial Agreement.

“Reference Date” means the earlier of (x) the Product Integration Date or (y) non-completion of Phase 1 of the Product Integration within 18 months from the date hereof.

“Required Regulatory Approvals” means the following governmental and regulatory approvals, consents, order and waivers: (i) a Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer or a disclaimer of affiliation (the “Delaware Filing”) with the Delaware Department of Insurance with respect to Root Property & Casualty Insurance Company, (ii) a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer or a disclaimer of affiliation (the “Ohio Filing”) and, together with the Delaware Filings and including biographical affidavits, background information, questionnaires, financial statements and information, structure of Purchaser and its Affiliates and any amendments thereof or supplements thereto to the extent required under the Requirements of Laws, the “Insurance Filings”) with the Ohio Department of Insurance with respect to Root Insurance Company and (iii) if the Company becomes subject to regulation in any additional jurisdictions and the Holder agrees to prepare and file any regulatory filings in such jurisdictions as may be required to acquire control of an insurance company in such jurisdictions.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Short-Term Warrants” means the three year warrants designated as Tranche 1, Tranche 2 and Tranche 3 issued by the Company to the Holder on the Issuance Date.

“Trading Day” means a day on which the Trading Market is open for trading. If the Class A Common Stock is not listed on any Trading Market, then “Trading Day” means “Business Day.”

“Trading Market” means the Nasdaq Global Select Market or the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

“Transfer” means to, directly or indirectly, (i) sell, offer to sell, contract to sell, sell or grant any option, right or warrant to purchase, purchase or acquire any option to sell, or otherwise dispose or transfer any security or (ii) enter into any total-return swap, derivative or any other similar agreement or any similar transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of such securities, whether any such swap, derivative or other similar transaction is to be settled by delivery of reference securities, other securities, in cash or otherwise.

“Transfer Agent” means the Company and any successor transfer agent of the Company.

Section 2. Exercise.

(a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time (i) on or after the Initial Exercise Date and on or before the Termination Date or (ii) any time following a Fundamental Transaction (as defined below) occurring before the Initial Exercise Date (but subject to Section 3(d)(ii)), in each case subject to the satisfaction of the Conditions to Exercise, by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(c)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise in the form determined by the Company pursuant to Section 2(b). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company; provided, however, that the Holder may surrender this Warrant and receive a new Warrant pursuant to Section 2(c)(ii) hereof. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within two Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant

Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. Subject to applicable law or regulation, the exercisability of the this Warrant shall not preclude the Holder from electing, in its sole discretion, to exercise or convert any other right, option, warrant, convertible stock or other security of the Company (and the exercisability of the such other right, option, warrant, convertible stock or other security of the Company shall not preclude the Holder from exercising this Warrant).

(b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$30.00 per share, subject to adjustment hereunder (the "Exercise Price"). The Exercise Price shall be payable by a cash payment to the Company of the Exercise Price by wire transfer of immediately available funds to an account designated in writing by the Company; provided, however, that the Company may cause the Holder to receive, or the Holder may elect to receive, upon such exercise the "net number" of shares of Common Stock, where the Company will withhold a number of Warrant Shares (subject to Section 2(c)(v) hereof) then issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the date of the Notice of Exercise equal to such Exercise Price (a "Cashless Exercise").

(c) Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by book entry position, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) two (2) Trading Days after the delivery to the Company of the Notice of Exercise, and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) two (2) Trading Days after delivery to the Company of the Notice of Exercise and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrant Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant at any time prior to the expiration of the Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to deliver to the Holder the Warrant Shares pursuant to Section 2(c)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) Conditional Exercise. Notwithstanding the foregoing, if an exercise of all or any portion of this Warrant is to be made in connection with a Fundamental Transaction, such exercise may at the election of the Holder be conditioned upon the consummation of such Fundamental Transaction. If the exercise of this Warrant is conditioned upon the consummation of a Fundamental Transaction, the Warrant Share Delivery Date shall be the date of such consummation and such exercise shall be deemed to be effective immediately prior to such consummation.

(v) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(vi) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

(vii) Delayed Exercise. If at any time an exercise of the purchase rights represented by this Warrant would result in Holder and its Affiliates owning more than 34.9% of the Company's issued and outstanding Common Stock at the time of exercise, then the Company shall have the right to delay the Warrant Share Delivery Date in order to obtain any necessary consents from lenders or other creditors that, if not obtained, would result in a breach of, or event of default under, any credit agreement, note or similar agreement.

Section 3. Certain Adjustments.

(a) Adjustments.

(i) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides (including by way of stock split) outstanding shares of Common Stock into a larger number of shares, or (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(ii) Issuance of Rights, Options or Warrants. If the Company issues to all of the record holders of its Class A Common Stock any rights, options or warrants entitling them, to subscribe for or purchase shares of the Common Stock (the "Purchase Rights") at a price per share that is less than the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, then the Exercise Price shall be decreased based on the following formula:

$$EP1 = EP0 \times ((OS0 + Y) \div (OS0 + X))$$

where,

"EP0" means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"EP1" means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

"OS0" means the number of shares of Common Stock outstanding immediately prior to the open of business on the Ex-Dividend Date for such issuance;

"X" means the total number of shares of Common Stock issuable pursuant to such rights, options or warrants; and

"Y" means the number of shares of Common Stock equal to (i) the aggregate price payable to exercise such rights, options or warrants, divided by (ii) the average of the Fair Market Value of the Common Stock for the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance.

Any decrease pursuant to this Section 3(a)(ii) shall be made successively whenever any such rights, options or warrants are issued and shall become effective immediately after the open of business on the Ex-Dividend Date for such issuance. To the extent that shares of the Common Stock are not delivered after the expiration of such rights, options or warrants, the Exchange Price shall be increased to the Exchange Price that would then be in effect had the decrease in the exercise price been calculated on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights, options or warrants are not so issued, the Exchange Price shall be increased to the Exchange Rate that would then be in effect if such Ex-Dividend Date for such issuance had not occurred.

For purposes of this Section 3(a)(ii), in determining whether any rights, options or warrants entitle the holders of Common Stock to subscribe for or purchase shares of the Common Stock at a price per share that is less than such average of the Fair Market Value of the Common Stock for the ten (10) consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights, options or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors in good faith.

(iii) Distribution Transactions. If the Company distributes shares of its capital stock, evidences of its indebtedness, other assets or property or rights, options or warrants to acquire its Capital Stock or other securities, to all holders of record of the Class A Common Stock, excluding (a) dividends, distributions or issuances as to which an adjustment was effected pursuant to Section 3(a)(i) or Section 3(a)(ii), (b) dividends or distributions paid exclusively in cash (subject to Section 3(a)(iv)), (c) distributions in a transaction described in Section 3(b); and (d) Spin-Offs as to which the provisions set forth below in the second paragraph of this Section 3(a)(iii) shall apply (any of such shares of Capital Stock, evidences of indebtedness, other assets or property or rights, options or warrants to acquire Capital Stock or other securities of the Company, the “Distributed Property”), then the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - FMV) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading-Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and

“FMV” means the fair market value (as determined by the Board of Directors) of the Distributed Property distributed with respect to each outstanding share of the Class A Common Stock on the Ex-Dividend Date for such distribution.

Any decrease made under the portion of this Section 3(a)(iii) above shall become effective immediately after the open of business on the Ex-Dividend Date for such distribution. If such dividend or distribution is not so paid, the Exercise Price shall be reset, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the “FMV” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive at the same time and upon the same terms as holders of the Common Stock receive the Distributed Property, the amount and kind of Distributed Property such Holder would have received if such Holder had exercised this Warrant in full prior the distribution. If the Board of Directors determines the “FMV” (as defined above) of any distribution for purposes of this Section 3(a)(iii) by reference to the actual or when-issued trading market for any securities, it shall in doing so consider the prices in such market over the same period used in computing the Fair Market Value of the Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such distribution. If the Company issues rights, options or warrants that are only exercisable upon the occurrence of certain triggering events, then the Company will not adjust the Exercise Price pursuant to the foregoing in this Section 3(a)(iii) until the earliest of these triggering events occurs, and the Company will readjust the Exercise Price to the extent any of these rights, options or warrants are not exercised before they expire; provided that the rights, options or warrants trade together with the Class A Common Stock and will be issued in respect of future issuances of the shares of the Class A Common Stock.

With respect to an adjustment pursuant to this Section 3(a)(iii) where there has been a payment of a dividend or other distribution on the Class A Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit of the Company, that are, or, when issued, will be, listed or admitted for trading on a U.S. national securities exchange (a “Spin-Off”), the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times (MP_0 \div (FMV + MP_0))$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the close of business on the Effective Date of the Spin-Off;

“EP₁” means the Exercise Price in effect immediately after the close of business on the Effective Date of the Spin-Off;

“FMV” means the average Fair Market Value of the Capital Stock or similar equity interest distributed to holders of the Class A Common Stock applicable to one share of the Common Stock (determined by reference to the definition of Fair Market Value as if references therein to Common Stock were to such Capital Stock or similar equity interest) over the first 10 consecutive Trading Day period after, and including, the first day that the Spin-Off stock begins trading regular-way (the “Valuation Period”); and

“MP₀” means the average Fair Market Value of the Class A Common Stock over the Valuation Period.

The adjustment to the Exercise Price under the preceding paragraph will be calculated as of the open of business on the last Trading Day of the Valuation Period, but shall be given effect as of the close of business on the Effective Date of the Spin-Off. If the Warrant Share Delivery Date occurs during the related Valuation Period, the Company will pay or deliver, as the case may be, the cash, shares of its Class A Common Stock or a combination of cash and shares of its Common Stock, if any, on the third Business Day immediately following the last day of the Valuation Period, and the Person in whose name any shares of Class A Common Stock delivered upon conversion is registered shall be treated as a stockholder of record as of the close of business on the last Trading Day of the Valuation Period. If any distribution of the type described in this Section 3(a)(iii) is declared but not so made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors or a committee thereof determines not to make such distribution, to the conversion rate that would then be in effect if such distribution had not been declared.

(iv) Cash Dividends. If any cash dividend or distribution is made to all holders of record of the Class A Common Stock, the Exercise Price shall be decreased based on the following formula:

$$EP_1 = EP_0 \times ((SP_0 - C) \div SP_0)$$

where,

“EP₀” means the Exercise Price in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

“EP₁” means the Exercise Price in effect immediately after the open of business on such Ex-Dividend Date;

“SP₀” means the average Fair Market Value of the Class A Common Stock over the 10 consecutive Trading Day period ending on, and including, the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

“C” means the amount in cash per share the Company distributes to all or substantially all holders of its Class A Common Stock.

Any decrease pursuant to this Section 3(a)(iv) shall become effective immediately after the open of business on the Ex-Dividend Date for such dividend or distribution. If such dividend or distribution is not so paid, the Exercise Price shall be increased, effective as of the date the Board of Directors determines not to make or pay such dividend or distribution, to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if “C” (as defined above) is equal to or greater than “SP₀” (as defined above), in lieu of the foregoing decrease, the Holder of this Warrant shall receive, at the same time and upon the same terms as holders of shares of the Class A Common Stock, the amount of cash that such Holder would have received if such Holder had exercised this Warrant in full prior the dividend or distribution.

(b) **Fundamental Transaction.** If, at any time while this Warrant is outstanding, subject to Section 3(d)(ii), (i) a Company Sale occurs or (ii) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (each a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder in its sole discretion, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "**Alternate Consideration**") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction. For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Class A Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "**Successor Entity**") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Class A Common Stock acquirable and receivable upon exercise of this Warrant prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Class A Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding the foregoing, in the event that the Company elects to provide the Holder with a Sale Notice for a proposed Company Sale that would otherwise be considered a Fundamental Transaction, as described below in Section 3(d)(ii), this Section 3(b) shall not apply to such proposed Company Sale.

(c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

(d) Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Sale Notice. Notwithstanding anything to the contrary set forth in this Warrant, in the event of a proposed Company Sale, the Company may elect to give written notice to the Holder of the proposed Company Sale and treatment of the Warrant under this Section 3(d)(ii) (a "Sale Notice"). If provided, the Sale Notice will include the definitive agreement relating to the Company Sale unless the Company is contractually prohibited from providing a copy of such draft, in which case the Sale Notice will include a description of the material terms of the proposed Company Sale in reasonable detail. The Sale Notice, if elected to be provided by the Company, shall be provided no less than fifteen (15) Business Days prior to the anticipated closing date of the Company Sale and shall specify that the exercise in connection therewith shall be a Cashless Exercise unless the Company and Holder have agreed in writing that such Holder will pay in cash the aggregate Exercise Price with respect to such exercise in lieu of Cashless Exercise. If the Company has delivered such Sales Notice, this Warrant shall be automatically deemed exercised immediately prior to the closing date of the Company Sale; provided, however, if (a) subject to the partial vesting provided for in the final sentence of this Section 3(d)(ii), the Conditions to Exercise have not been satisfied as of the date of the Sale Notice or (b) the calculations pursuant to Cashless Exercise would not result in an obligation to deliver any Warrant Shares to the Holder, then, in each case, this Warrant shall be deemed terminated without payment as of the date of the Sale Notice and the Holder shall have no further rights with respect thereto. Section 3(b) shall not apply in the event of a Sale Notice is delivered with respect to a Company Sale that would otherwise be considered a Fundamental Transaction. For purposes of this Section 3(d)(ii), in the event that the Conditions to Exercise specified in clause (iii) of the definition thereof have not been fully satisfied, but the Conditions to Exercise in Long Term Warrant Tranche 4 have been satisfied in full, then this Warrant shall partially vest in connection with such Company Sale by multiplying the number of Warrant Shares by a fraction, the numerator of which is the cumulative number of Company Policies issued through the date of such Company Sale and the denominator of which is the number of Company Policies issued set forth in clause (iii) of the definition of Conditions to Exercise.

(iii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock (other than a regular dividend that is publicly announced in advance), (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least ten (10) calendar days prior to the applicable record or effective date hereinafter specified, a notice (unless such information is filed with the Commission, in which case a notice shall not be required) stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

(a) Transferability. The Holder may not directly or indirectly Transfer all or any part of this Warrant other than to (i) a direct or indirect wholly-owned subsidiary of Carvana Group, LLC and (ii) subject to the Company's prior written consent not to be unreasonably withheld, any affiliates of the Carvana Group, LLC (each of (i) and (ii), a "Permitted Transferee" and such Transfer, a "Permitted Transfer"); provided that (A) if the Holder and its Affiliates have used reasonable best efforts to obtain the Required Regulatory Approvals and such Required Regulatory Approvals are not obtained or (B) if any of the Required Regulatory Approvals are obtained but the approvals in connection therewith would impose a Burdensome Condition, then the Holder may transfer up to 5% of this Warrant and the underlying shares to a Person that is not an Permitted Transferee at the Holder's sole discretion, and, subject to the Company's prior written consent not to be unreasonably withheld (it being agreed that it shall not be unreasonable for the Company to withhold consent to any transfer that would require the registration of the Warrant (or any portion thereof), 5% or more of this Warrant and the underlying shares; provided, further: that (i) any transferee enter into a written agreement with the Company agreeing to be bound by the transfer restrictions in this Warrant and the other restrictions contained in the Investment Agreement, dated August 11, 2021, by and among the Company and the Holder and (ii) following any partial transfer this Warrant shall remain exercisable only for all of the Warrant Shares by the

Holders thereof subject to the Cap. Upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney, this Warrant may be Transferred to a Permitted Transferee. In the case of any Permitted Transfer to a Permitted Transferee, if any such Permitted Transferee thereafter ceases to satisfy the definition of a Permitted Transferee, such person will re-convey this Warrant to the transferor or to another Permitted Transferee either (i) before such Person ceases to satisfy the definition of a Permitted Transferee, so long as such Person knows of its upcoming change of status prior thereto or (ii) if such change of status is not known until after its occurrence, then as soon as practicable after the earlier of such former Permitted Transferee receiving notice or having knowledge thereof. No purported Transfer of this Warrant will be effective if a purpose or effect of such purported Transfer is to circumvent the provisions of the Certificate of Incorporation, the Investment Agreement or this Warrant. The Holder shall, prior to or concurrently with any transfer of a Warrant, pay funds sufficient to pay any transfer taxes payable upon the making of such transfer.

(b) New Warrants. In connection with any Permitted Transfer, (i) this Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney and (ii) the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial Issuance Date set forth on the first page of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

(c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

(a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise as set forth in Section 2(c)(i) (or, if applicable, such later date as contemplated by Section 2(c)(vii)).

(b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of this Warrant, if mutilated, the Company will make and deliver a new Warrant of like tenor and dated as of such cancellation, in lieu of such Warrant.

(c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

(d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Class A Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant, and, in the event the Holder becomes entitled to receive any other equity security of the Company (or security convertible into any other equity security of the Company) upon exercise of this Warrant, the Company will reserve a sufficient number of authorized but unissued shares of such equity securities to provide for the issuance of such equity securities upon exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Class A Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant, (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, (iv) will not create a new class of common stock of the Company, and (v) the Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

(e) Governing Law. This Warrant, and all claims or causes of action (whether in contract, tort, statute or otherwise) that may be based upon, arising out of or relating to this Warrant or any of the transactions contemplated hereby or the negotiation, execution or performance of this Warrant (including any claim or cause of action based upon, arising out of or relating to any representation or warranty made in or in connection with this Warrant or as an inducement to enter into this Warrant), shall be governed by and construed in accordance with the internal laws of the State of Delaware, including its statute of limitations, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties hereto agrees, with respect to any action arising out of or relating to this Warrant or the transactions contemplated hereby, (i) to submit to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in and for New Castle County, Delaware, (ii) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from such court and (iii) agrees that it will not bring any such action in any court other than the Court of Chancery for the State of Delaware in and for New Castle County, Delaware, or, if (and only if) such court finds it lacks subject matter jurisdiction, the federal court of the United States of America sitting in Delaware, and appellate courts thereof, or, if (and only if) each of such Court of Chancery for the State of Delaware and such federal court finds it lacks subject matter jurisdiction, any state court within the State of Delaware. Service of process, summons, notice or document to any party's address and in the manner set forth in this Section 5(h) shall be effective service of process for any such action.

(f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

(g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

(h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at 80 E. Rich Street, Suite 500, Columbus, OH 43215, Attention: Jon Allison, General Counsel, email address: legal@joinroot.com, or such other email address or address as the Company may specify for such purposes by notice to the Holder. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by e-mail, or sent by a nationally recognized overnight courier service addressed to the Holder at the e-mail address or address of the Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via e-mail at the e-mail address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the Party to whom such notice is required to be given.

(i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Class A Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

(j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

(k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

(l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

(m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

(n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(o) Entire Agreement. This Agreement, the Commercial Agreement and the Investment Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede (i) all prior oral or written proposals or agreements, (ii) all contemporaneous oral proposals or agreements, and (iii) all previous negotiations and all other communications or understandings between the parties, in each case with respect to the subject matter hereof.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ROOT, INC. (“Company”)

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating
Officer and Chief Financial Office

Agreed to and accepted as of the date first above indicated:

CARVANA GROUP, LLC (“Holder”)

By: /s/ Paul Breaux

Name: Paul Breaux

Title: Vice President, General Counsel and
Secretary

NOTICE OF EXERCISE

TO: ROOT, INC.

(1) The undersigned hereby elects to purchase __ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box)

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection (c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name (if such person is a Permitted Transferee) as is specified below.

The undersigned hereby represents and warrants as follows:

(a) the undersigned is acquiring such shares of Common Stock for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act of 1933, as amended, and the regulations promulgated thereunder (the “Securities Act”); and

(b) (i) the undersigned is an “accredited investor” as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purposes of acquiring the Warrant or such shares of Common Stock or (ii) the undersigned is not a US Person as defined in Regulation S under the Securities Act, and the Warrant is not being exercised on behalf of a US Person. The undersigned’s financial condition is such that it is able to bear the risk of holding such securities for an indefinite period of time and the risk of loss of its entire investment. The undersigned has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of investment in the Company.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number:

Email Address:

COMMERCIAL AGREEMENT

THIS COMMERCIAL AGREEMENT (this “Agreement”) is executed to be effective as of October 1, 2021 (the “Effective Date”), by and between Caret Holdings, Inc., on behalf of itself, subsidiaries, and affiliates (the “Company”), Carvana, LLC, an Arizona limited liability Company (“Dealer”), Carvana Insurance Services, LLC, an Arizona limited liability company (“CIS”), and Carvana Group, LLC, a Delaware limited liability company (“Parent” and, collectively with Dealer and CIS, “Carvana”). The Company and Carvana may be collectively referred to as the “Parties,” and individually as a “Party.”

RECITALS

WHEREAS, the Company and CIS desire to enter into a commercial relationship wherein the Company will have the opportunity to provide the Embedded Insurance Platform to customers of CIS in exchange for the payment of cash commissions to CIS;

WHEREAS, the Company and Dealer desire to enter into a commercial relationship wherein the Company will receive compensation from Dealer in exchange for directing Covered Vehicle Loss replacement purchase opportunities to Dealer; and

WHEREAS, concurrently with the execution of this Agreement, the Company issued to Parent (i) Series A Convertible Preferred Stock convertible into shares of Class A common stock of the Company equal to 5.0% of the fully diluted aggregate number of shares of Class A common stock and Class B common stock outstanding as of August 11, 2021 and (ii) multiple tranches of warrants providing Parent with the opportunity to increase Parent’s ownership to up to 29.9% of the fully diluted aggregate number of shares of Class A common stock and Class B common stock outstanding as of August 11, 2021, subject to the exercise prices and vesting conditions set forth therein (each a “Company Warrant”).

NOW, THEREFORE, in consideration of the covenants contained herein, each Party, on behalf of itself and its subsidiaries, agrees to the following terms and conditions:

1. **Existing Agreement**. The Existing Agreement shall remain in full force and effect until the Product Integration Date. Upon the Product Integration Date, the Company and CIS agree that the Existing Agreement automatically shall terminate and shall have no further force or effect, except for provisions of the Existing Agreement that expressly survive the termination thereof.
2. **Product Integration Plan**;
 - (a) The Company, Dealer and CIS shall work together and use best efforts to promptly (and, in any case, within thirty (30) days following the Effective Date) develop and mutually agree on a detailed plan (the “Product Integration Plan”) for (i) integrating the Embedded Insurance Platform for CIS customers (“CIS Customers”) and (ii) enabling functionality within the Company Digital Properties that will direct Company Policyholders and ThirdParty Payees to the Carvana Digital Properties to assist such policyholders and/or Third Party Payees with replacing a Covered Loss Vehicle (the foregoing (i) and (ii), collectively, “Product Integration”), in each case, in accordance with the terms and specifications outlined in Schedule 2, attached hereto.
 - (b) Once the Product Integration Plan is agreed, each of the Company, Dealer and CIS shall reasonably cooperate with the other Parties and shall use commercially reasonable efforts to implement the Product Implementation Plan.
3. **Exclusivity**.
 - (a) The Parties agree to the exclusivity terms set forth on Schedule 1.

4. Marketing.

- (a) From the Product Integration Date and for the duration of the Term, each of the Company, Dealer and CIS shall market and promote the Program, in accordance with a marketing plan (the "Marketing Plan") to be developed and mutually agreed by the Parties no less than thirty (30) days prior to the Product Integration Date. The Marketing Plan shall include, at a minimum, mutually agreed-upon press releases upon the completion of Deliverables #1 and #2 from Phase 1 (as defined in Schedule 2).
- (b) Licenses.
- (i) Company Content License. Subject to CIS and Dealer's respective compliance with all the terms of this Agreement, the Company hereby grants to CIS and Dealer a royalty-free, non-exclusive, revocable, non-transferable, non-sublicenseable license during the Term to use the Company Content on the Carvana Digital Properties and in other promotional materials to promote the Program in accordance with the Marketing Plan.
- (ii) Company Marks License. Subject to the terms and conditions of this Agreement and the approvals required by Section 4(b)(iii), the Company hereby grants CIS and Dealer royalty-free, non-exclusive, revocable, non-transferable, non-sublicenseable licenses during the Term to use Marks owned by the Company ("Company Marks") on the Carvana Digital Properties and in other promotional materials solely as necessary to promote the Program in accordance with the Marketing Plan. CIS and Dealer each agree not to form any combination marks with the Company Marks or to register, or attempt to register, any trademarks, service marks, or trade names that are confusingly similar to the Company Marks. Upon termination of this Agreement, CIS and Dealer each agree to promptly cease using the Company Marks and to remove all Company Marks from the Carvana Digital Properties or any other items and locations under CIS or Dealer's control, unless otherwise agreed to in writing by the Company, Dealer and CIS. All uses by CIS or Dealer of the Company Marks shall inure to the benefit of, and be on behalf of, the Company, and all goodwill accrued thereby shall be the exclusive property of the Company.
- (iii) Company Requirements and Quality Assurance. CIS and Dealer each acknowledge and is familiar with the high quality standards and reputation of the Company, and CIS and Dealer each understand the importance of same. CIS and Dealer each agrees that, at all times, it will conduct its business in connection with this Agreement and that it will use the Company Marks and any Company Content in a manner consistent with such quality standards and reputation. The Company retains the right to exercise quality control over all uses of the Company Marks under this Agreement in order to maintain the validity of the Company Marks and to protect the goodwill associated therewith. Accordingly, any and all designs, specifications, and samples of any promotional materials that use or otherwise relate to any of the Company Marks must be approved by the Company in writing prior to such usage. CIS and Dealer each agree to comply with any trademark usage guidelines, templates, or specifications provided by the Company (and which may be changed from time to time by the Company upon written notice to CIS and Dealer) as to the reproduction and use of the Company Marks and any Company Content. Further, CIS and Dealer each agree that, during and after the Term, it will not knowingly perform, do, or knowingly cause any act to be done, or knowingly fail to take any action, or knowingly encourage or assist any third party to perform, do, or cause any act to be done, or knowingly fail to take any action, which would in any way be detrimental to, injure, or impair: (A) the Company Marks; (B) any applications for registration and/or registrations related thereto; (C) the goodwill and/or commercial reputation related to the Company Marks and/or the Company; and (D) the validity or enforceability of any of the foregoing.
- (iv) Company API Licenses. Subject to the terms and conditions of this Agreement, solely in connection with the Program and the Parties' obligations pursuant to this Agreement, the Company hereby grants to CIS a royalty-free, non-exclusive, non-transferable, non-sublicensable license during the Term to use certain APIs owned or appropriately licensed to the Company and which the Company deems necessary

for the integration and operation of the Embedded Insurance Platform (collectively “Company APIs”) solely in connection with this Agreement. CIS’s use of the Company APIs is limited to the processing of key consumer information or vehicle information, vehicle availability, vehicle details, and pricing information, or any other information mutually agreed upon by the Parties, in each case, for use solely in connection with this Agreement. CIS may make reasonable copies of any provided documentation associated with the Company APIs, but only as necessary for development, support, or backup, or as otherwise reasonably necessary for a successful Product Integration. CIS will not decompile, disassemble, or otherwise reverse engineer the Company APIs. The Parties acknowledge that the Company APIs are considered Confidential Information of the Company and subject to Section 8 below. In no event shall CIS or any of its Representatives store, cache, or retain any information or data received via Company APIs, including quotes produced via the Embedded Insurance Platform for any purpose other than managing and measuring the performance of the Program. CIS acknowledges and agrees that it is expressly prohibited from using any information or data received via Company APIs (including quotes produced via the Embedded Insurance Platform) in order to create or build a repository, database, or otherwise maintain a collection of Company Confidential Information.

- (v) Dealer Content License. Subject to the Company’s compliance with all the terms of this Agreement, Dealer hereby grants to the Company a royalty-free, non-exclusive, revocable, non-transferable, non-sublicenseable license during the Term to use the Dealer Content on the Company Digital Properties and other Company promotional materials to promote the Program in accordance with the Marketing Plan.
- (vi) Dealer Marks License. Subject to the terms and conditions of this Agreement and the approvals required by Section 4(c)(vii), Dealer hereby grants the Company a royalty-free, non-exclusive, revocable, non-transferable, non-sublicenseable license during the Term to use Marks owned by Dealer or an affiliate of Dealer (“Dealer Marks”) on the Company Digital Properties and other Company promotional materials solely as necessary to promote the Program in accordance with the Marketing Plan. The Company agrees not to form any combination marks with the Dealer Marks or to register, or attempt to register, any trademarks, service marks, or trade names that are confusingly similar to the Dealer Marks. Upon termination of this Agreement, the Company shall promptly cease using the Dealer Marks and shall remove all Dealer Marks from the Company Digital Properties or any other items and locations under the Company’s control, unless otherwise agreed to in writing by the Company, Dealer and CIS. All uses by the Company of Dealer’s Marks shall inure to the benefit of, and be on behalf of, Dealer, and all goodwill accrued thereby shall be the exclusive property of Dealer.
- (vii) Dealer Requirements and Quality Assurance. The Company acknowledges and is familiar with the high quality standards and reputation of Dealer, and the Company understands the importance of same. The Company shall, at all times, conduct its business in connection with this Agreement and use the Dealer Marks and any Dealer Content in a manner consistent with such quality standards and reputation. Dealer retains the right to exercise quality control over all uses of the Dealer Marks under this Agreement in order to maintain the validity of the Dealer Marks and to protect the goodwill associated therewith. Accordingly, any and all designs, specifications, and samples of any Company promotional materials that use or otherwise relate to any of the Dealer Marks must be approved by Dealer in writing prior to such usage. The Company agrees to comply with any trademark usage guidelines, templates, or specifications provided by Dealer (and which may be changed from time to time by Dealer upon written notice to the Company) as to the reproduction and use of the Dealer Marks and any Dealer Content. Further, the Company agrees that, during and after the Term, the Company shall not knowingly perform, do, or knowingly cause any act to be done, or knowingly fail to take any action, or knowingly encourage or assist any third party to perform, do, or cause any act to be done, or knowingly fail to take any action, which would in any way be detrimental to, injure, or impair: (A) the Dealer Marks; (B) any applications for registration and/or registrations related thereto; (C) the goodwill and/or commercial reputation related to the Dealer Marks and/or Dealer; and (D) the validity or enforceability of any of the foregoing.

(viii) Dealer API Licenses. Subject to the terms and conditions of this Agreement, solely in connection with the Program and the Parties' obligations pursuant to this Agreement, Dealer hereby grants to the Company a royalty-free, non-exclusive, non-transferable, non-sublicensable license during the Term to use certain Dealer APIs owned or appropriately licensed to Dealer and which Dealer deems necessary for the integration and operation of the Embedded Insurance Platform (collectively "Dealer APIs") solely in connection with this Agreement. The Company's use of the Dealer APIs is limited to the processing of key consumer information or vehicle information, vehicle availability, vehicle details, and pricing information, or any other information mutually agreed upon by the Parties. The Company will not use the Dealer APIs in any manner to create or develop a solution to compete with the Dealer APIs. The Company may make reasonable copies of the documentation associated with the Dealer APIs, but only as necessary for development, support, or backup, or as otherwise reasonably necessary for a successful Product Integration. The Company will not decompile, disassemble, or otherwise reverse engineer the Dealer APIs. The Parties acknowledge that the Dealer APIs are considered Confidential Information of Dealer and subject to Section 8 below.

(c) Ownership.

- (i) CIS and Dealer each acknowledge and agree that the Company owns all right, title and interest in and to the Company Materials and the Company APIs. CIS and Dealer each agrees to take any additional commercially reasonable actions, at the Company's expense, as the Company deems reasonably necessary to establish and/or preserve Company's exclusive rights in and to the Company Marks. CIS and Dealer each further acknowledge and agree that it does not have, and does not acquire by way of its use under this Agreement, any rights in the Company Materials or the Company APIs. CIS and Dealer each agree not contest or deny the validity of, or the right, title and interest of the Company in or to, the Company Materials, and shall not encourage or assist others directly or indirectly to do so at any time. CIS and Dealer each agree not to use the Company Marks in any manner that would or is reasonably likely to diminish their value or harm the reputation of the Company.
- (ii) The Company acknowledges and agrees that Dealer owns all right, title and interest in and to the Dealer Content, the Dealer Marks, and the Dealer APIs. The Company agrees to take any additional commercially reasonable actions, at Dealer's expense, as Dealer deems reasonably necessary to establish and/or preserve Dealer's exclusive rights in and to the Dealer Marks. The Company further acknowledges and agrees that it does not have, and does not acquire by way of its use under this Agreement, any rights in the Dealer Content, the Dealer Marks, or the Dealer APIs. The Company shall not contest or deny the validity of, or the right, title and interest of Dealer in or to, the Dealer Content, the Dealer Marks, and the Dealer APIs and shall not encourage or assist others directly or indirectly to do so at any time.

5. Payments and Payment Terms. From the Product Integration Date and for the duration of the Term:

- (a) The Company shall pay to CIS certain fees and commissions, as set forth on Schedule 3 attached hereto.
- (b) Dealer shall pay to the Company certain fees and commissions, as set forth on Schedule 3.
- (c) In the event a Party fails to make payment in full of any undisputed fee or commission under this Agreement by the due date, such payment shall bear interest at a rate equal to: (i) the lesser of 1.5%; or (ii) the maximum rate permitted by Applicable Law, as of the day after the due date and shall continue to accrue interest thereon until payment is made in full. The Parties shall work together in good faith to resolve any disputes regarding fees or commissions.

6. Agency Requirements. The provisions of Schedule 5 are hereby incorporated by reference into this Agreement. The Parties shall use best efforts and cooperate with the other to secure regulatory approval of the Agency Agreement.
7. Renewal Rights. Except as otherwise agreed to by Company in writing, and subject to the provisions of Schedule 1 and Schedule 5, the Company shall have sole and exclusive ownership, possession, use, and control of Renewal Rights and Policy Information. In addition, CIS shall have no right to move any Company Policy to another insurance carrier.
8. Confidentiality and Data Security.
 - (a) Each Party agrees, on behalf of itself and its affiliates, officers, directors, employees, contractors, counsel, advisors, and accountants (with respect to a Party, collectively, such Party's "Representatives") to keep confidential all Confidential Information of the Disclosing Party. Each Party agrees to use the other Parties' Confidential Information only for the purpose of performing the obligations required under this Agreement ("Purpose"). Each Party agrees to restrict disclosure of the other Parties' Confidential Information solely to its Representatives with a need-to-know for the Purpose. Each Party's Representatives shall be (i) informed of the confidential nature of such information, and (ii) directed to treat such information confidentially. Each Party shall not disclose, distribute, or disseminate another Party's Confidential Information to any third party, without the prior written consent of the Disclosing Party. Each Party shall be responsible for any acts of its Representatives, which, if done by such Party, would constitute a breach of this Section 8. Each Party agrees to take at least the same measures and degree of care to protect the secrecy, and avoid disclosure and unauthorized use, of the other Parties' Confidential Information as it takes with its own confidential information of a similar nature but in no event less than a reasonable degree of care.
 - (b) In the event a Party or any of its Representatives is legally required (whether by law, regulation, deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information of the Disclosing Party, such Party shall (i) give the Disclosing Party immediate written notice of such request or requirement so that the Disclosing Party may seek a protective order or other remedy and/or waive compliance with this Agreement, and (ii) use its best efforts to cooperate with the Disclosing Party to obtain such protective order or other remedy. In the event that the Disclosing Party is not able to obtain such protective order or other remedy or elects to waive compliance with this Agreement, the Party that is legally required to disclose the Disclosing Party's Confidential Information agrees to (x) furnish only that portion of the Confidential Information that in the opinion of its counsel is legally required to be disclosed and (y) use its best efforts to obtain assurances that confidential treatment will be accorded to such Confidential Information.
 - (d) The Disclosing Party shall retain all right, title and interest to any Confidential Information it discloses to the other Parties. Promptly upon any request by the Disclosing Party, or upon termination of this Agreement, the other Parties shall (i) return to the Disclosing Party all Confidential Information in the possession of such Parties or its Representatives and (ii) erase or destroy all Confidential Information in such Parties' or its Representatives' possession, which destruction shall be certified by an authorized representative of such Parties upon the Disclosing Party's request. Notwithstanding the preceding sentence, each Party may retain copies of another Party's Confidential Information for record retention purposes as required by Applicable Law and nothing herein shall require the removal of such Confidential Information from data backup systems, email retention systems, or the like, that are maintained in accordance with such Party's standard security and/or disaster recovery procedures. Any such retained Confidential Information shall continue to be subject to the obligations herein even after termination of this Agreement.
 - (e) Each of the Parties acknowledges and agrees that each Party is responsible for its own compliance with Applicable Laws, including any applicable privacy and/or data protection laws ("Privacy Laws"). Each Party represents and warrants that, other than the uses anticipated by and described within this Agreement, it will not utilize any Personal Information received from

the other Party for any use other than those uses explicitly described in this Agreement and for purposes of fulfilling the Parties' obligations and responsibilities as outlined in this Agreement. The Parties further acknowledge and agree that this Agreement is intended to function in whole or in part as a "joint agreement" for the marketing of financial products or services, and that the Parties may be considered "financial institutions," pursuant to applicable Privacy Laws.

- (f) Only during the Term of this Agreement and only to the extent necessary to fulfill the purposes of this Agreement, each Party agrees to allow the other Parties to store and/or process consumers' Personal Information in such Parties' respective systems solely in order to provide, maintain, protect, or improve the services and products, or related offerings, as contemplated by this Agreement, to protect the Parties, or as otherwise required by Applicable Laws. Each Party agrees to process, store, and protect such Personal Information in compliance with its published security and privacy policies and all Applicable Laws (including Privacy Laws). Each Party agrees not to use any Personal Information to directly or indirectly solicit or contact any consumer (either individually or in the aggregate) unless such contact is necessary to resolve issues or disputes regarding such Party's products or services pursuant to this Agreement, or unless otherwise expressly authorized elsewhere in this Agreement or by the relevant consumer. Each Party agrees not to disclose, modify, transfer, or provide any Personal Information to any third party unless such Personal Information is provided pursuant to equal or more stringent data usage, storage, processing, and/or security protections and restrictions as identified in this Agreement, and only to the extent such third party access to the Personal Information is necessary in order for such Party to perform its duties associated with this Agreement. Each Party agrees not to sell or rent any Personal Information obtained from the other Party to any third party.
- (g) In the event a Party experiences a Data Breach, such Party shall: (i) promptly notify the other Party, in writing, of the occurrence thereof; (ii) promptly begin investigating the Data Breach and using commercially reasonable efforts to mitigate potential risks to the other Party or any affected persons; and (iii) reasonably cooperate with the other Party, in the event the other Party chooses to conduct an independent investigation of the Data Breach. Each Party is solely responsible for all costs and liabilities associated with a Data Breach related to consumer information and any data stored on its systems, including all costs and expenses associated with data breach notifications, regulatory investigations, and other compliance obligations related thereto.
- (h) Notwithstanding any other provision in this Agreement, if a Party provides any ideas, suggestions or recommendations to another Party regarding or in response to Confidential Information ("Feedback"), the Party receiving such Feedback is free to use and incorporate such Feedback into its products without payment of royalties or other consideration, so long as the Party receiving the Feedback does not infringe any patents, copyrights or trademark rights contained in the Feedback.

9. Data and Reporting.

- (a) Subject to Applicable Law, the Parties agree to share data as set forth on Schedule 4 attached hereto (each such dissemination by a Party, a "Report").
- (b) CIS shall secure and record consent from CIS Customers (i) to share information collected about said CIS Customer with the Company, and vice-versa, as set forth on Schedule 4; (ii) to FCRA disclaimers and terms & conditions provided by the Company in writing from time to time; and (iii) indicating such CIS Customer's acceptance of the Company's privacy policy. CIS shall not offer any Policy to a CIS Customer unless such customer has agreed to accept the foregoing. CIS shall not transmit any CIS Customer's or other consumer's Personal Information to the Company, unless such CIS Customer or consumer has expressly consented to the foregoing. Further, CIS represents and warrants that it has, and will maintain throughout the Term, a service or function that is capable of verifying and documenting CIS's compliance with the TCPA, as amended from time to time.

- (c) The Company shall secure and record consent from Company Policyholders and any other consumers whose Personal Information the Company transmits to Dealer indicating such Company Policyholder's or consumer's prior express written consent permitting: (i) the Company to share such Company Policyholder's or consumer's Personal Information with Dealer; and (ii) Dealer to contact such Company Policyholder or consumer in connection with a vehicle purchase. The Company shall not transmit any Company Policyholder's or other consumer's Personal Information to Dealer, unless such Company Policyholder or consumer has expressly consented to the foregoing. Further, the Company represents and warrants that it has, and will maintain throughout the Term, a service or function that is capable of verifying and documenting the Company's compliance with the TCPA, as amended from time to time.

10. Governance.

- (a) Each Party shall nominate a representative to act as the primary contact person with respect to all aspects of this Agreement (each, a "Relationship Manager"). Unless otherwise agreed upon by the Parties, all communications relating to this Agreement and to the Program shall be directed to the Relationship Managers. The initial Relationship Managers for each Party, including relevant contact information, are set forth on Schedule 6 attached hereto. Either Party may replace its Relationship Managers with an individual of comparable qualifications and experience at any time by providing notice in accordance with this Agreement. Each Party may treat the actions of another Party's Relationship Manager as having been authorized by such Party without further inquiry as to whether such Relationship Manager had authority to so act. The Relationship Managers shall meet in person or telephonically as reasonably necessary or advisable for the performance of the Parties' obligations hereunder, but in any case no less frequently than two (2) times per month.
- (b) As soon as reasonably practicable after the Effective Date, the Parties shall establish a joint committee (the "Steering Committee") to oversee and manage the matters under this Agreement, comprising an equal number of suitable representatives nominated by, on the one hand, the Company and, on the other hand, CIS and Dealer collectively ("Steering Committee Members"). All Steering Committee Members shall have the requisite skills, knowledge, experience and authority to discuss, coordinate and make arrangements to give effect to this Agreement. Either Party may replace any of its Steering Committee Members at any time by providing notice in accordance with this Agreement; provided, that neither Party shall replace all of its Steering Committee Members at the same time or within an unreasonably short period of time. Any decision by the Steering Committee shall require the approval of at least one (1) nominee of the Company and one (1) nominee of CIS and Dealer. The Parties acknowledge and agree that the Steering Committee will be the primary forum through which the Company, CIS, and Dealer will work together to plan and implement this Agreement and will meet on a regular basis as appropriate to this end.
- (c) At least monthly during the Term (or such other frequency as the Parties may agree or when this Agreement otherwise requires), the Steering Committee shall meet (in person or via telephone) for the purposes of:
 - (i) considering any issues arising out of the performance of this Agreement;
 - (ii) prior to the Product Integration Date, discussing the current status of the Integration Plan; and
 - (iii) considering any other issues arising under or in connection with this Agreement.

11. Representations and Warranties. Each Party represents and warrants as follows:

- (a) It has full power and authority to enter into this Agreement, to perform all of its obligations hereunder, and its entry into this Agreement does not violate any other agreement, understanding or arrangement by which it is bound;
- (b) Its performance of its obligations under this Agreement shall at all times comply with all Applicable Laws that apply to the performance of its obligations under the Agreement, including those of any governmental agencies that exercise authority over it with respect to such Party's obligations in connection with the transactions contemplated by this Agreement;

- (c) Its websites, platforms, and services, including its collection, use, and storage of Personal Information, will at all times comply with all Applicable Laws;
- (d) It has obtained and shall maintain throughout the Term all rights and licenses necessary in order to license or sublicense any API, Mark, or other intellectual property it permits the other Party to use; and
- (e) It has obtained and will maintain through the Term all licenses, registrations, permits, consents, authorizations, and approvals required to be obtained by it from any third party or regulatory agency exercising authority over it.

12. Indemnification.

- (a) Indemnification. Each Party (the “Indemnifying Party”) agrees to defend, indemnify, protect, and hold the other Parties (each an “Indemnified Party”) harmless from and against any and all Losses arising out of or related to any third-party Claims or any government investigation, including reasonable legal fees, which may be imposed upon or incurred by the Indemnified Party as a result of: (i) any material breach of this Agreement by the Indemnifying Party; (ii) the Indemnifying Party’s infringement, misappropriation, or other violation of any patent, trademark, copyright, or any other intellectual property rights of a third party; (iii) the Indemnifying Party’s violation or breach of any Applicable Law in any material respect; and (iv) the Indemnifying Party’s (or its Representatives’) gross negligence or intentional misconduct in carrying out the Indemnifying Party’s obligations pursuant to this Agreement. Notwithstanding the foregoing, neither Party shall be obligated to indemnify another Party in connection with any Losses or Claims imposed upon or experienced by the other Party to the extent: (y) any act, error or omission that directly resulted in the Losses or Claims was expressly and knowingly authorized, concurred in, or ratified by the other Party in writing, or (z) the Losses were caused by the gross negligence or intentional misconduct of the other Party.
- (b) Indemnification Procedures. The Indemnified Party shall: (i) promptly notify the Indemnifying Party in writing of any Claims for which the Indemnified Party seeks indemnification; (ii) provide reasonable cooperation to the Indemnifying Party and its legal representatives in the investigation of any Claim which is the subject of indemnification; and (iii) permit the Indemnifying Party to have full control over the defense and settlement of any matter subject to indemnification; provided, however, that the Indemnifying Party shall not enter into any settlement that affects the Indemnified Party’s rights or interests without the Indemnified Party’s prior written consent, which shall not be unreasonably withheld or delayed. The Indemnified Party shall have the right to participate in the defense at its own expense.

13. Insurance.

- (a) Each Party, at its sole cost and expense, shall at all times during the Term of this Agreement, carry and maintain the following insurance coverages with insurance companies authorized to do business within all states in which the Program will be advertised to consumers, and which have a minimum A.M. Best rating of B10 or greater, or a licensed captive insurance entity in good regulatory standing. All insurance maintained by a Party shall be primary, non-contributory with, and not excess, over any liability insurance maintained by another Party. Each Party agrees to promptly provide another Party with current certificates of insurance upon request.
 - (i) Cyber liability insurance, on a claims made basis, in an amount not less than \$10,000,000.00 ; shall waive all rights of subrogation against the other Parties (except as between CIS and Dealer); shall include an extended reporting period of three (3) years post contract termination or expiration; for claims or liabilities arising from, or incidental to this Agreement. Cyber liability risks and key exposures to be covered shall include, but not be limited to, privacy, cyber extortion, regulatory liability, first party costs (notification, data forensics, crisis management, etc.); and

- (ii) Commercial general liability insurance, on an occurrence form, adequate to protect the interest of the Parties hereto, which shall name the other Parties as an additional insured; shall waive all rights of subrogation against the other Parties (except as between CIS and Dealer); and shall be the primary liability insurance, and not excess over any liability policy carried by the other Parties (except as between CIS and Dealer), for all claims or liabilities as is customarily provided by a standard General Liability Policy. General liability risks and key exposures to be covered shall include, but not be limited to, such Party's operations in connection with the Program and as is customarily available and insurable within a standard General Liability policy and include blanket contractual coverage. The limits of each policy shall not be less than \$1,000,000.00 per occurrence.
 - (b) To the extent a Party employs, utilizes or contracts with subcontractors and/or independent contractors for some or all of such Party's obligations pursuant to this Agreement, such Party shall require such subcontractors and/or independent contractors to comply with the same insurance requirements as set forth in this Section 13. In the event any subcontractors or independent contractors hired by such Party fails to maintain insurance coverages in accordance with this Section 13, such Party shall be responsible for any and all such insufficiencies in the subcontractor's or independent contractor's coverages.
14. Limitation of Liability. EXCEPT FOR A PARTIES' INDEMNIFICATION OBLIGATIONS, OR IN THE EVENT OF A BREACH OF SECTION 8 (CONFIDENTIALITY AND DATA SECURITY) OR SECTION 11 (REPRESENTATIONS AND WARRANTIES), UNDER NO CIRCUMSTANCES, SHALL A PARTY HEREUNDER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES INCURRED OR SUFFERED BY ANOTHER PARTY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION LOST REVENUE, LOSS OF INCOME, OR LOSS OF BUSINESS ADVANTAGE, EVEN IF THE PARTY SUFFERING SUCH DAMAGES, OR AN AUTHORIZED REPRESENTATIVE OF SUCH PARTY, HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
15. Audit Rights.
- (a) Each of the Parties, and their duly authorized representatives, shall have the right to conduct reasonable audits with respect to all information required to be provided to it by the other Party under this Agreement. A Party may not initiate more than two (2) audits per calendar year, and audits may not be conducted in immediately successive calendar quarters. The Party conducting the audit (the "Auditing Party") may adopt reasonable procedures and guidelines for conducting audits and the selection of audit representatives under this Section 15. The Auditing Party shall have the right to make copies of any relevant records at its expense, subject to any restrictions imposed by Applicable Laws and to any confidentiality provisions set forth in the confidentiality agreement to be entered into pursuant to Section 6.18 of the Investment Agreement. The Party being audited shall provide the Auditing Party's Representatives with reasonable access during normal business hours to its operations, computer systems, and paper and electronic files, and provide workspace to its Representatives. After any audit is completed, the Party being audited shall have the right to review a draft of the audit findings and to comment on those findings in writing within thirty (30) Business Days after receiving such draft.
 - (b) The Auditing Party's audit rights under this Section 15 shall include the right to audit, or participate in an audit facilitated by the Party being audited, of any subsidiaries and affiliates of the Party being audited and to require the other Party to request any benefit providers and third parties with whom the Party being audited has a relationship, or agents of such Party, to agree to such an audit to the extent any such Persons are affected by or addressed in this Agreement (collectively, the "Non-Parties"). The Party being audited shall, upon written request from the Auditing Party, provide an individual (at the Auditing Party's expense) to supervise any audit of a Non-Party. The Auditing Party shall be responsible for supplying, at the Auditing Party's expense, additional personnel sufficient to complete the audit in a reasonably timely manner. The responsibility of the Party being audited shall be limited to providing, at the Auditing Party's expense, a single individual at each audited site for purposes of facilitating the audit.

16. Term and Termination.
- (a) Term. The Term of this Agreement will begin as of the Effective Date and will continue for a period of five (5) years following the Product Integration Date (the "Initial Term"). At the end of the Initial Term and each Renewal Term, as applicable, this Agreement shall automatically renew for additional, successive terms of twelve (12) months (each a "Renewal Term" and, together with the Initial Term, the "Term").
 - (b) Termination. In addition to any termination rights outlined in any Schedule, this Agreement may be terminated: (i) at any time upon mutually written consent of the Parties, or (ii) for any reason, by providing written notice to the other Party no later than one (1) year prior to the beginning of any Renewal Term, if the terminating Party does not wish for the Agreement to renew.
17. Definitions. Any capitalized terms not defined in this Section 16 shall have the meaning set forth elsewhere in this Agreement (including any Schedules attached hereto).
- (a) "Applicable Law" means any applicable state, federal, or local statute, law, ordinance, regulation, rule, code, constitution, treaty, common law, governmental order, other requirement or rule of law, including but not limited to, all state licensing and consumer credit and privacy laws, including but not limited to the Gramm-Leach-Bliley Act, the Dodd-Frank Act, the Fair Credit Reporting Act (the "FCRA"), the Equal Credit Opportunity Act, the Truth in Lending Act, Regulation Z, Regulation E, the Fair Debt Collection Practices Act, the Telephone Consumer Protection Act (the "TCPA"), the CAN SPAM Act, the California Financial Information Privacy Act ("CalFIPA"), the Vermont Privacy of Consumer Financial and Health Information Regulation ("VFPA"), and the California Consumer Privacy Act (the "CCPA"), in each case, as such laws and regulations may be amended from time to time.
 - (b) "Business Days" means any day other than a Saturday, a Sunday, or a federally-recognized holiday. In the event the day upon which any action pursuant to this Agreement is to be taken lands on a day other than a Business Day, performance of such action shall be deemed due on the immediately following Business Day.
 - (c) "Carvana Digital Properties" means any mobile applications, websites (including www.carvana.com, and any related landing pages and successor sites) operated in connection with CIS's business and/or Dealer's business.
 - (d) "Claim" means any claim, legal or equitable, cause of action, suit, litigation, proceeding (including a regulatory or administrative proceeding), grievance, complaint, demand, charge, investigation, audit, arbitration, mediation or other process for settling disputes or disagreements, including, without limitation, any of the foregoing processes or procedures in which injunctive or equitable relief is sought.
 - (e) "Common Stock" means the Company's Class A common stock and Class B common stock
 - (f) "Company Content" means all Content developed by or for the Company and provided to CIS and/or Dealer. Company Content, at all times, remains the property of Company.
 - (g) "Company IP" means, collectively, all trade secrets, patents and patent applications, Trademarks, copyrights (including rights in computer software) and copyrightable subject matter, moral rights, design rights, database rights, rights in know-how, rights in confidential and proprietary information, rights in inventions (whether patentable or not), know-how, inventions, processes and all other intellectual property and proprietary rights (whether registered or unregistered, and any application for the foregoing), and all other equivalent or similar rights which may subsist anywhere in the world, in each case, created or developed the Company or any of its affiliates in connection with Product Integration.
 - (h) "Company Digital Properties" means any mobile applications, websites (including joinroot.com, related landing pages and successor sites) operated in connection with the Company's business.
 - (i) "Company Materials" means, collectively, the Company IP, the Company Content and the Company Marks.

- (j) “Confidential Information” means any information disclosed or made available to a Party by another Party (the “Disclosing Party”), either directly or indirectly, in writing, orally, by inspection of tangible objects or in any other format or media, that is: (i) marked or identified as confidential at the time of disclosure; or (ii) given all relevant facts and circumstances is of the nature that a reasonable person would believe is confidential or proprietary to the Disclosing Party, in each case including the terms of this Agreement (including any negotiations related thereto), any insurance quotes, business, technical or financial information, software, trade secrets, methodologies, techniques, customer lists, vendor lists, pricing, sales information, forecasts, any proprietary or confidential information of any third party, any consumer’s Personal Information that is received or obtained during the performance of this Agreement, and the contents of any Reports. Confidential Information does not include any information that the Party that received such Confidential Information can establish (A) was rightfully in the possession of or known by such Party without an obligation to maintain its confidentiality prior to receipt from the Disclosing Party; (B) is or becomes generally known to the public without a violation by such Party or its Representatives of its confidentiality obligations hereunder; (C) is obtained by such Party in good faith without an obligation of confidentiality from a third party having the right to disclose it without an obligation of confidentiality; (D) is independently developed by such Party without use of or reliance on the Disclosing Party’s Confidential Information; or (E) is approved in writing for release without restriction by an authorized representative of the Disclosing Party.
- (k) “Content” means all content or information, including any text, music, sound, photographs, video, graphics, data or software, in any medium.
- (l) “Covered Loss Vehicle” means a vehicle determined by a Company Insurance Subsidiary in its reasonable discretion to be a total loss in compliance with applicable law.
- (m) “Data Breach” means any unauthorized access to, use of, or disclosure of: (a) another Party’s Confidential Information, (b) any Personal Information transmitted between the Parties pursuant to this Agreement, (c) any usernames and/or passwords and/or IDs providing access to such Party’s systems, data, or networks, or (d) any other breach of information technology security or unauthorized data access involving a Party that could reasonably implicate the relationship and/or services described in this Agreement or have an adverse impact upon one of the other Parties.
- (n) “Dealer Content” means all Content developed by or for Dealer and provided to the Company.
- (o) “Embedded Insurance Platform” means the ability for the Company to natively quote and bind CIS Customers directly via a white-labeled product integrated into a Carvana Digital Property.
- (p) “Existing Agreement” means that certain Master Services Agreement, dated as of December 13, 2019, by and between Root Insurance Company and Carvana Insurance Services, LLC, as amended from time to time.
- (q) “Losses” means any loss, assessment, fine, penalty, deficiency, interest, payment, expense, cost, debt, indebtedness, liability, lien, judgment or damage, which is sustained, incurred or accrued.
- (r) “Marks” means trademarks, trade names, service marks, logos, domain names and all other indicators of source or origin.
- (s) “Personal Information” shall mean: (i) any personally identifiable financial information: (A) provided by a consumer to a party; (B) resulting from any transaction between a party and the consumer or any service performed by a party for the consumer; or (C) otherwise obtained by a party; and (ii) any nonpublic personal information about a consumer that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household.

- (t) “Policy” means an insurance policy offered, issued, produced, or brokered by the Company.
 - (u) “Policy Information” means telematics data, claims data, information, and records (in any media) related to all Policies.
 - (v) “Product Integration Date” shall mean the date an Embedded Insurance Platform becomes available for sale to CIS Customers.
 - (w) “Program” means the program through which, after the Product Integration Date, (i) the Carvana Digital Properties shall permit CIS Customers to apply for Company Policies as part of Dealer’s automobile purchase process and (ii) the Company refers certain Company Policyholders and Third-Party Payees to Dealer for Covered Loss Vehicle replacement services.
 - (x) “Renewal Rights” means the right to issue, direct, or influence the application for continued insurance coverage of the same type to the same CIS Customer at the point of expiration of an existing Policy.
18. Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party because of the authorship of any provision of this Agreement. Any reference to any federal, state, provincial, territorial, local, or foreign law shall be deemed also to refer to such law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. Any reference to any contract or agreement (including schedules and other attachments thereto), including this Agreement, shall be deemed also to refer to such contract or agreement as amended, restated, or otherwise modified, unless the context requires otherwise. The words “include,” “includes,” and “including” shall be deemed to be followed by “without limitation.” Pronouns in masculine, feminine, and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural and vice versa, unless the context requires otherwise. The words “this Agreement,” “herein,” “hereof;” “hereby,” “hereunder,” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. Where this Agreement states that a party “will” or “shall” perform in some manner or otherwise act or omit to act, it means that such party is legally obligated to do so in accordance with this Agreement. The captions, titles, and headings included in this Agreement are for convenience only and do not affect this Agreement’s construction or interpretation. Any reference to an Article, Section, or Schedule in this Agreement shall refer to an Article or Section of, or Schedule to, this Agreement, unless the context otherwise requires. This Agreement is for the sole benefit of the parties and does not, and is not intended to, confer any rights or remedies in favor of any Person (including any employee, director, shareholder or third party lender or service provider of a Party) other than the Parties.
19. Assignment. Except as set forth herein, neither Party shall assign, transfer, or otherwise alienate any or all of its rights or interest under this Agreement without the express prior written consent of the other Party, which consent may be granted or withheld in such other party’s reasonable discretion; provided, however, that the foregoing shall in no way restrict: (a) the performance of any of the terms or conditions of this Agreement by an affiliate or subsidiary of a Party hereto to the extent the same is consistent with the intent of this Agreement; or (b) a Party’s ability to assign this Agreement without the consent of the other Parties to any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) of all or substantially all of the business or assets of the assigning Party. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.
20. Entire Agreement. Subject to the terms and conditions of Section 1, this Agreement (and any Schedules) constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede (a) all prior oral or written proposals or agreements, (b) all contemporaneous oral proposals or agreements, and (c) all previous negotiations and all other communications or understandings between the Parties, in each case with respect to the subject matter hereof. To the extent any portion of this Agreement conflicts, or is inconsistent, with a Schedule, the applicable Schedule shall control.

21. **Notices.** Each Party shall promptly give written notice to the other Party if (i) it receives notice of any Claims or inquiries from regulators, or any other formal complaint in which the other Party is named as a defendant or respondent or (ii) it becomes aware that any director, officer, owner, employee, or representative of said Party has been convicted of any felony involving dishonesty or breach of trust or has had his or her license or other requisite authority suspended or revoked.

Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, email or other generally accepted means of electronic transmission, or mail (with postage prepaid), to the following addresses:

If to the Company to:

Root, Inc.
80 E. Rich Street
Columbus, Ohio 43215
Attention: Jonathan A. Allison, General Counsel
email: legal@joinroot.com

If to CIS to:

Carvana Insurance Services, LLC
1930 W. Rio Salado Parkway
Tempe, Arizona 85251
Attention: Legal Department
email: legal@carvana.com

If to Dealer to:

Carvana, LLC
1930 W. Rio Salado Parkway
Tempe, Arizona 85251
Attention: Legal Department
email: legal@carvana.com

If to Parent to:

Carvana Group, LLC
1930 W. Rio Salado Parkway
Tempe, Arizona 85251
Attention: Legal Department
email: legal@carvana.com

or to such other addresses as may be specified by like notice to the other Parties.

22. **Governing Law; Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. The Parties agree that any action or proceeding, however characterized, arising out of or relating to this Agreement will be brought only in the courts located in Delaware, and the Parties irrevocably submit to the exclusive jurisdiction of such courts for the purposes of any such action or proceeding and irrevocably agree, after the exhaustion of any appeals, to be bound by any judgment rendered by any such court with respect to any such action or proceeding. The Parties waive any objection they may now or hereafter have to the venue of any such action or proceeding in any such court and any claim that such action or proceeding has been brought in an inconvenient forum. Any order or judgment of either of the foregoing courts may be enforced in any court having jurisdiction of the Parties and/or the subject matter. Process in any action or proceeding may be served by certified mail, which service will be sufficient to confer in-personam jurisdiction over the party so served. The Parties agree that in any action or proceeding arising out of or relating to this Agreement, or the enforcement of any provisions thereof, the court is empowered to grant any legal or equitable relief which may be available, including without limitation, specific performance, injunctive relief and any mandatory injunction it deems appropriate.

23. **Severability.** If any term or other provision of this Agreement shall be determined by a court, governmental authority, or arbitrator to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not render the entire Agreement invalid. Rather, this Agreement shall be construed as if not containing the particular invalid, illegal, or unenforceable provision, and all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Agreement so as to give effect to the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent permitted under Applicable Law.
24. **Amendment.** This Agreement may only be amended by a written agreement executed by each Party.
25. **Counterparts.** This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which, when taken together, will constitute one and the same agreement. Any signature affixed to this Agreement by a Party hereto may be delivered by such Party to the other Parties via electronic transmission and any Party's signature affixed to this Agreement that is delivered to the other Parties via an electronic transmission shall be treated as an original signature to this Agreement and will constitute an original counterpart of this Agreement.
26. **Authority.** Each Party represents to the other Parties that this Agreement is its legal, valid, and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights generally and general equity principles.
27. **Binding Effect.** This Agreement binds and benefits the Parties and their respective successors and permitted assigns. Other than those Persons entitled to indemnity hereunder, there are no third party beneficiaries having rights under or with respect to this Agreement.
28. **Waiver.** A provision of this Agreement may be waived only by a writing signed by the Party intended to be bound by the waiver. A Party is not prevented from enforcing any right, remedy, or condition in the Party's favor because of any failure or delay in exercising any right or remedy or in requiring satisfaction of any condition, except to the extent that the party specifically waives the same in writing. A written waiver given for one matter or occasion is effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver for any other matter or occasion. Any enumeration of a Party's rights and remedies in this Agreement is not intended to be exclusive, and a Party's rights and remedies are intended to be cumulative to the extent permitted by law and include any rights and remedies authorized in law or in equity.
29. **Relationship of Parties.** The Parties are acting as independent contractors to each other under this Agreement, and nothing contained in this Agreement shall be deemed to create a fiduciary relationship, partnership, joint venture, or relationship of trust or agency between the Parties.
30. **Further Assurances.** From time to time, each Party agrees to execute and deliver such additional documents and to provide such additional information and assistance as the other Parties may reasonably require to carry out the terms of this Agreement.
31. **No Publicity.** Except as otherwise permitted elsewhere in this Agreement, neither Party shall (a) use another Party's Marks in connection with any advertising materials, or (b) issue a press release announcing the Parties' business relationship, without the prior, written consent of the other Parties as to the context and content of such materials or press release. Each Party shall have the right to terminate its consent at any time and for any reason by providing written notice to the other Parties.
32. **Force Majeure.** Neither Party will be liable hereunder by reason of any failure or delay in the performance of its obligations on account of events beyond its reasonable control, which include without limitation: strikes; shortages; riots; insurrection; fires; flood; storm; explosions; acts of God; war; terrorism; governmental action; labor conditions; earthquakes; and material shortages (each a "**Force Majeure Event**"). Upon the occurrence of a Force Majeure Event, the Parties will be excused from any further performance of the respective obligations effected by the Force Majeure Event for so long as the effects of the event continue.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

CARET HOLDINGS, INC.:

/s/ Daniel Rosenthal

Name: Daniel Rosenthal
Title: Chief Financial Officer

CARVANA, LLC:

/s/ Paul Breaux

Name: Paul Breaux
Title: General Counsel

CARVANA INSURANCE SERVICES, LLC:

/s/ Paul Breaux

Name: Paul Breaux
Title: Vice President & Secretary

CARVANA GROUP, LLC:

(solely with respect to the obligations of Section 3 and Schedule 1)

/s/ Paul Breaux

Name: Paul Breaux
Title: General Counsel

FIRST AMENDMENT TO THE INVESTMENT AGREEMENT

This FIRST AMENDMENT TO THE INVESTMENT AGREEMENT (this "Amendment"), dated as of September 29, 2021, is entered into by and between Root, Inc., a Delaware corporation (the "Company"), and Carvana Group, LLC, a Delaware limited liability company (the "Purchaser"). The Company and the Purchaser are collectively referred to herein as the "Parties" and each, a "Party".

WITNESSETH:

WHEREAS, the Parties entered into that certain Investment Agreement, dated as of August 11, 2021 (the "Investment Agreement");

WHEREAS, Section 10 of the Investment Agreement provides that the Investment Agreement may be amended, modified or waived if, and only if, such amendment, modification or waiver is in writing and signed by each of the parties to the Investment Agreement;

WHEREAS, the Parties wish to amend the Investment Agreement in the manner set forth in Section 10 of the Investment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

1. Amendment.

(a) Section 2.1 of the Investment Agreement is hereby amended and restated to read as follows:

(i) The closing of (i) the purchase by the Purchaser and issuance and sale by the Company of the Preferred Stock and (ii) the issuance by the Company of the Warrants to the Purchaser (the "Closing") shall occur at 10:00 a.m., New York time, on the later of (a) the third (3rd) Business Day after the satisfaction or, to the extent permitted by Requirements of Law, written waiver (by the party entitled to grant such waiver) of the conditions to the Closing set forth in Section 3 (other than those conditions that by their nature are to be satisfied at the Closing, but subject to satisfaction or, to the extent permitted by Requirements of Law, written waiver of those conditions) and (b) October 1, 2021. The date on which the Closing occurs is referred to as the "Closing Date."

(b) Section 6.19 of the Investment Agreement is hereby amended and restated to read as follows:

(i) From and after the Closing, each party hereto (for the purposes of this Section 6.19, the “Receiving Party”) will, and will cause its Affiliates and its and their respective Representatives to, keep confidential any information (including oral, written and electronic information) concerning the other party hereto, its Subsidiaries or its Affiliates (for the purposes of this Section 6.19, the “Disclosing Party”) that may be furnished to the Receiving Party, its Affiliates or their respective Representatives by or on behalf of the Disclosing Party or any of its Representatives pursuant to (x) this Agreement, (y) the Confidentiality Agreement, effective as of July 10, 2018, by and between the an Affiliate of the Company and an Affiliate of the Purchaser (the “Confidentiality Agreement”) or (z) the Commercial Agreement (the information referred to in clauses (x), (y) and (z), whether disclosed or provided prior to, on or after the Closing Date, is collectively referred to as the “Confidential Information”) and to use the Confidential Information solely for the purposes of monitoring, administering or managing the Purchaser’s investment in the Company made pursuant to this Agreement or in connection with the performance of the Commercial Agreement by the Company or Purchaser; provided that the Confidential Information shall not include information that (i) is already in the public domain, (ii) becomes part of the public domain otherwise than as a result of an unauthorized disclosure by the Receiving Party, (iii) information which is or becomes available to the Receiving Party from a third party lawfully in possession and who has the lawful power to disclose such information to the Receiving Party, and (iv) information that was independently developed by the Receiving Party, any of its Affiliates or any of their respective Representatives without reference to, incorporation of, or other use of any Confidential Information or any violation of its confidentiality obligations. Each Party, as a Receiving Party, agrees, on behalf of itself and its Affiliates and its and their respective Representatives, that Confidential Information of the Disclosing Party may be disclosed solely (A) to the Receiving Party’s Affiliates and its and their respective Representatives on a need-to-know basis or (B) in the event that the Receiving Party, any of its Affiliates or any of its or their respective Representatives are required by applicable Requirements of Law, judgment, stock exchange rule or other applicable judicial or governmental process (including by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, in each of which instances described in this clause (B) the Receiving Party, its Affiliates and its and their respective Representatives, as the case may be, shall use reasonable efforts to provide notice to the Disclosing Party sufficiently in advance of any such disclosure so that the Disclosing Party will have a reasonable opportunity to timely seek to limit, condition or quash such disclosure. Each Party, as a Receiving Party, further agrees that if, in the absence of a protective order, the receipt of a waiver, or any other method taken to limit, condition or quash such disclosure, the Receiving Party is, in the written opinion of its counsel, legally required to disclose any Confidential Information, then, in such event, the Receiving Party may disclose such information without liability hereunder, provided the Disclosing Party has been given a reasonable opportunity to review the text of such disclosure before it is made and that the disclosure is limited to only Confidential Information specifically required to be disclosed pursuant to the written opinion of the Receiving Party’s counsel.

(c) Section 7.2 of the Investment Agreement is hereby amended and restated to read as follows:

(i) In the event of termination of this Agreement prior to the Closing by any party as provided in Section 7.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of any party; provided that Section 6.19 Section 8, Sections 10 through 13 and Sections 15 through 20 shall survive such termination. No such termination shall relieve any party of any liability or damages to the other party resulting from fraud or any willful and material breach of this Agreement prior to such termination; *provided* that any cause of action with respect to any such breach must be brought no later than the 60th day following such termination. Notwithstanding anything to the contrary herein, the parties hereto acknowledge and agree that nothing contained herein shall be deemed to affect their right to specific performance in accordance with this Agreement. For purposes of this Agreement: (i) “willful and material breach” shall mean an action or omission taken or omitted to be taken that the breaching party (other than based on negligent misrepresentation or any similar theory) takes (or fails to take) and actually knows would, or would reasonably be expected to, be or cause a material breach of this Agreement; and (ii) “fraud” shall mean common law fraud that is committed with actual knowledge of falsity and with the intent to deceive or mislead another.

2. Capitalized Terms. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Investment Agreement.

3. Effect of Amendment. This Amendment shall not constitute an amendment or waiver of any provision of the Investment Agreement not expressly amended or waived herein and shall not be construed as an amendment, waiver or consent to any action that would require an amendment, waiver or consent, except as expressly stated herein. The Investment Agreement, as amended by this Amendment, is and shall continue to be in full force and effect and is in all respects ratified and confirmed hereby.

4. Miscellaneous. Sections 11 (*Notices, etc.*), 12 (*Construction*), 13 (*Publicity*), 14 (*Specific Performance*), 15 (*Governing Law*), 16 (*Waiver of Jury Trial*), 17 (*Expenses*), 18 (*Counterparts; Electronic Signatures*), 19 (*Severability*) and 20 (*Miscellaneous*) of the Investment Agreement shall apply to this Amendment *mutatis mutandis*.

[*The remainder of this page is intentionally blank.*]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above.

ROOT, INC.

By: /s/ Daniel Rosenthal

Name: Daniel Rosenthal

Title: Chief Revenue and Operating Officer and Chief
Financial Officer

[Signature Page to First Amendment to the Investment Agreement]

CARVANA GROUP, LLC

By: /s/ Paul Breaux

Name: Paul Breaux

Title: Vice President; Secretary

[Signature Page to First Amendment to the Investment Agreement]