

# ROOT, INC.

## CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

### APPROVED BY THE BOARD OF DIRECTORS

February 15, 2023

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#### PURPOSE

The purpose of the Compensation Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Root, Inc. (the “*Company*”) is to:

- help the Board oversee the Company’s compensation policies, plans, and programs with a goal to attract, incentivize, retain, and reward top quality executive management and employees.
- review and determine the compensation to be paid to the Company’s executive officers and Board members (for purposes of this Charter (“*Charter*”), the term “executive officers” means those Company officers covered under Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”));
- when required, review and discuss with management the Company’s compensation disclosures in the “Compensation Discussion and Analysis” section of the Company’s annual reports, registration statements and proxy statements filed with the Securities and Exchange Commission (the “*SEC*”); and
- when required, prepare and review the Committee report on executive compensation required by Item 407(e)(5) of Regulation S-K included in the Company’s annual proxy statement and/or annual report on Form 10-K.

The term “compensation” includes salary, long-term incentives, short-term incentives, bonuses, perquisites, equity incentives, executive employment agreements, change-in-control agreements, severance and separation arrangements, retirement benefits and other related benefits and benefit plans, policies and procedures, including clawback/recoupment policies.

#### COMPOSITION

The members of the Committee, including the Chairperson, will be members of the Board appointed by, and will serve at the discretion of, the Board. Vacancies occurring on the Committee will be filled by the Board. Resignation or removal of a Committee member from the Board for any reason will automatically constitute resignation or removal from the Committee.

Following the date on which the Company becomes a public reporting company subject to the periodic reporting requirements of the Exchange Act (the “*Public Effective Date*”):

- the Committee will consist of at least two members of the Board; and
- each member of the Committee will satisfy:
  - the independence and other requirements imposed by applicable law and stock exchange listing requirements;
  - the “non-employee director” requirements of Rule 16b-3 under the Exchange Act; and
  - any other qualifications determined by the Board.

#### **AUTHORITY**

The Committee will have access to all Company books, records, facilities and personnel as deemed necessary or appropriate by any member of the Committee. If the Committee concludes, in its sole discretion, that it must retain or obtain the advice of a compensation consultant, legal counsel, or other outside advisors (including accounting advisors), it may do so in its sole discretion and determine compensation terms for those advisors at the Company’s expense. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other advisor retained by the Committee. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor to the Committee, other than in-house legal counsel, only after taking into consideration the factors set forth in Rule 5605(d)(3)(D) of the Nasdaq Listing Standards.

Nothing herein shall be construed: (i) to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other advisor to the Committee; or (ii) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of the duties of the Committee.

The Committee is required to conduct the independence assessment outlined herein with respect to any compensation consultant, legal counsel or other advisor that provides advice to the Committee, other than in-house legal counsel. However, nothing herein requires a compensation consultant, legal counsel or other compensation advisor to be independent -- only that the Committee consider the enumerated independence factors before selecting, or receiving advice from, a compensation advisor. The Committee may select, or receive advice from, any compensation advisor it prefers, including ones that are not independent, after considering the six independence factors referenced above.

For purposes herein, the Committee is not required to conduct an independence assessment for a compensation advisor that acts in a role limited to the following activities for which no disclosure is required under Item 407(e)(3)(iii) of Regulation S-K: (a) consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; and/or (b) providing information that either is not customized for a particular issuer or that is customized based on parameters that are not developed by the advisor, and about which the advisor does not provide advice.

The Committee may also pay any ordinary administrative expenses it deems appropriate in carrying out its duties at the expense of the Company. The Committee will have authority to require that any of the Company’s personnel or outside advisors attend any meeting of the Committee or meet with any member of the Committee or any of its advisors.

The Chairperson shall have the delegated authority to act on behalf of the Committee in connection with (1) approval of the retention of compensation consultants and outside service providers and advisors (including negotiation and execution of their engagement letters) and (2) as may otherwise be determined by the Committee. The Committee also may form and delegate authority to one or more subcommittees consisting of one or more members of the Board (whether or not he, she or they are on the Committee) to the extent allowed under applicable law and stock exchange listing requirements. By delegating an issue to the Chairperson or a subcommittee, the Committee does not surrender any authority over that issue. Although the Committee may act on any issue that has been delegated to the Chairperson or a subcommittee, doing so will not limit or restrict future action by the Chairperson or subcommittee on any matters delegated to it. Any action or decision of the Chairperson or a subcommittee will be presented to the full Committee at its next scheduled meeting. By approving this Charter, the Board delegates authority to the Committee with respect to these responsibilities.

## **RESPONSIBILITIES**

The Committee's responsibilities are for oversight, as described under "Purpose" above. The members of the Committee are not employees of the Company, and they do not perform management's functions. The Committee relies on the expertise and knowledge of management in carrying out its oversight responsibilities. Following the Public Effective Date, the Committee shall have the following responsibilities, some of which it may assume prior to such date in its discretion; provided, however, that this list of responsibilities is intended to be a guide and to remain flexible to account for changing circumstances and needs. Accordingly, the Committee may depart from or supplement such responsibilities, and establish policies and procedures, to the extent permitted by applicable law and stock exchange listing requirements. The Board will retain the right to act on all such matters without limiting the Committee's authority, subject to compliance with applicable law and stock exchange listing requirements.

- 1. Overall Compensation Strategy.** The Committee will review, oversee and approve (or make recommendations to the Board for approval of) the Company's overall compensation strategy and policies.
- 2. Compensation of Chief Executive Officer.** The Committee will review and approve (or make recommendations to the Board for approval of) the compensation, individual and corporate performance goals and objectives (and the achievement of such performance goals and objectives) and other terms of employment of the Company's Chief Executive Officer. The Committee will also evaluate, or participate in the evaluation of, the Chief Executive Officer's performance and determine the Chief Executive Officer's compensation based on such evaluation. The Chief Executive Officer may not be present during the voting or deliberations regarding his or her compensation.
- 3. Compensation of Other Executive Officers and Senior Management.** The Committee will review and approve (or make recommendations to the Board for approval of) the compensation, individual and corporate performance goals and objectives (and the achievement of such performance goals and objectives) and other terms of employment of the Company's other executive officers (and other members of senior management in the Committee's discretion). The Committee will also evaluate such executive officers' individual performance, taking into account the recommendations and evaluation of the Chief Executive Officer to the extent the Committee deems appropriate, and determine their compensation based on such evaluation.
- 4. Compensation of Directors.** The Committee will review and approve (or make recommendations to the Board for approval of) the type and amount of compensation to be paid or

awarded to Board members.

**5. Risk Management.** The Committee will review the Company's practices and policies of employee compensation as they relate to risk management and risk-taking incentives, to determine if such compensation policies and practices are reasonably likely to have a material adverse effect on the Company and take such determinations into account in discharging the Committee's responsibilities.

**6. Administration of Benefit Plans.** The Committee will have full power and authority to adopt, amend, terminate, and administer the Company's equity awards, pension, and profit sharing plans, bonus plans, health and welfare benefit plans and other similar programs. The Committee will have full power and authority to administer these plans, establish guidelines, interpret plan documents, select participants, approve grants and awards, approve modifications to awards and exercise other power, as appropriate. The Committee may delegate routine administration of such plans to an administrative committee consisting of one or more Company officers or other employees. The Committee shall make such recommendations to the Board as the Committee deems advisable with regard to policies and procedures for the grant of equity awards by the Company and other compensation-related policies or guidelines. The Board will retain the right to act on all such matters without limiting the Committee's authority, subject to compliance with applicable laws and regulations.

**7. Management Succession.** The Committee will review and evaluate with the Board and the Chief Executive Officer the succession plans for the Company's executive officers and make recommendations to the Board with respect to the selection of appropriate individuals to succeed these positions.

**8. Compensation Discussion and Analysis and Committee Report.** The Committee will review and discuss with management any "Compensation Discussion and Analysis" and report of the Committee required to be included in any filing with the SEC.

**9. Conflict of Interest Disclosure.** The Committee will review and discuss with management any conflicts of interest raised by the work of a compensation consultant or advisor hired by the Committee or management and how such conflict is being addressed, and prepare any necessary disclosure in the Company's annual proxy statement or annual report in accordance with applicable law and stock exchange listing requirements.

**10. Oversight of Certain Transactions.** The Committee will monitor and discuss with management any transactions entered into by certain Company executives or Board members whereby consistent with the Company's Insider Trading Policy an executive or Director enters into loan agreement where Company stock is provided as collateral. The Committee will monitor and consider any risks associated with such loan transactions and inform the Board of such risks.

**11. Committee Self-Assessment.** The Committee will annually evaluate its performance and report to the Board on the results of such evaluation, and review and reassess the adequacy of this Charter. The Committee will submit any proposed changes to the Board for approval.

## **MEETINGS AND MINUTES**

The Committee will meet whenever its members deem a meeting necessary or appropriate. The Committee will determine where and when to meet.

Unless otherwise determined by the Committee, each regularly scheduled meeting will conclude with an executive session that excludes members of management. From time to time, or when requested by the Board, the Chairperson of the Committee will report to the Board.

The Committee will maintain written minutes of its meetings (which minutes will be prepared and circulated to the members of the Committee for approval) and regularly report to the Board on its actions and recommendations. The Committee may act by unanimous written consent; when it does so, those actions will be filed in the minute book.