

LEMONADE, INC.

COMPENSATION COMMITTEE CHARTER

(As of June 18, 2020)

I. Purpose

The purpose of the Compensation Committee (the “Committee”) is to oversee the discharge of the responsibilities of the Board of Directors (the “Board”) of Lemonade, Inc. (the “Company”) relating to compensation of the Company’s executive officers and directors.

II. Composition

The Committee must consist of at least two directors, each of whom must satisfy the independence requirements of the New York Stock Exchange (the “NYSE”), except as otherwise permitted by applicable NYSE rules, and meet all other eligibility requirements of applicable laws. Committee members must be appointed and may be removed, with or without cause, by the Board. Unless a Chair is designated by the Board, the Committee may designate a Chair by majority vote of the full Committee membership.

III. Meetings, Procedures and Authority

The Committee has the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company’s bylaws that are applicable to the Committee.

The Committee may, in its sole discretion, retain or obtain advice from compensation consultants, legal counsel or other advisers (independent or otherwise), provided that, preceding any such retention or advice, the Committee must take into consideration all factors, including any applicable factors under NYSE rules, relevant to the adviser’s independence from management. The Committee will be directly responsible for the appointment, compensation and oversight of any adviser it retains. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee.

In addition to the duties and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities consistent with this Charter, the purposes of the Committee, the Company’s bylaws and applicable NYSE rules.

The Committee has the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any officer, employee or adviser of the Company to meet with the Committee or any advisers engaged by the Committee.

IV. Duties and Responsibilities

The Committee shall have the power and authority to perform the duties and to fulfill the responsibilities detailed below:

1. *CEO Compensation.* Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer. Evaluate the performance of the Chief Executive Officer in light of such goals and objectives and, based upon this evaluation (either alone or, if directed by the Board, in conjunction with a majority of the independent directors on the Board), set the compensation of the Chief Executive Officer.
2. *Other Executive Officer Evaluation and Compensation.* Oversee the evaluation of the executive officers other than the Chief Executive Officer. The Committee may consult with the Chair of the Audit Committee or the full Audit Committee in connection with the evaluation of the principal financial officer and the principal accounting officer, if any. After considering the foregoing evaluation, the Committee will review and set or make recommendations to the Board regarding the compensation of the executive officers other than the Chief Executive Officer.
3. *Incentive and Equity Compensation.* Review and approve or make recommendations to the Board regarding the Company's incentive compensation and equity-based plans and arrangements.
4. *Director Compensation.* Review and make recommendations to the Board regarding director compensation.
5. *Compensation Discussion and Analysis.* To the extent that the Company is required to include a "Compensation Discussion and Analysis" ("CD&A") in the Company's Annual Report on Form 10-K or annual proxy statement, review and discuss with management the Company's CD&A and consider whether it will recommend to the Board that the Company's CD&A be included in the appropriate filing.
6. *Compensation Committee Report.* Prepare the annual Compensation Committee Report.
7. *Employment Agreements.* Review and make recommendations to the Board regarding any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the Chief Executive Officer. Review and approve any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the executive officers other than the Chief Executive Officer.
8. *Committee Self-Evaluation.* Annually perform an evaluation of the performance of the Committee.

V. Reporting

The Committee must report regularly to the Board regarding the activities of the Committee.

VI. Review of this Charter

The Committee must periodically review and reassess this Charter and submit any recommended changes to the Board for its consideration.

VII. Delegation of Duties

In fulfilling its responsibilities, the Committee has the authority to delegate any or all of its responsibilities to a subcommittee of the Committee.

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