

CARLOTZ, INC.

RELATED PARTY TRANSACTION POLICY

I. Policy

CarLotz, Inc. (the “*Company*”) recognizes that Related Party Transactions (as defined below) present a heightened risk of conflicts of interest (or the perception thereof) and therefore the Company has adopted this Related Party Transaction Policy (the “*Policy*”) pursuant to which all Related Party Transactions shall be subject to approval or ratification, in accordance with the procedures set forth in this Policy.

For the purposes of this Policy, a “*Related Party Transaction*” is any transaction that would be required to be disclosed under Item 404(a) of Regulation S-K promulgated under the Securities Exchange Act of 1934, as amended (“*Regulation S-K*”). Item 404(a) of Regulation S-K currently requires the Company to disclose any transaction:

- (a) since the beginning of the registrant's last fiscal year, or any currently proposed transaction;
- (b) in which the Company was or is to be a participant and the amount involved exceeds \$120,000; and
- (c) in which any Related Party (as defined below) had or will have a direct or indirect material interest.

A “*Related Party*” is:

- (a) Any director or executive officer of the Company, or a director nominee if the information is being presented in a proxy or information statement relating to the election of that nominee;
- (b) Any immediate family member of the persons listed above (immediate family member means any child, stepchild, parent, step-parent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law and any person (other than a tenant or employee) sharing the same household); or
- (c) Any person who is the beneficial owner of more than 5% of the Company's securities or their immediate family had a direct or indirect material interest occurred or existed.

Related Party Transactions do not include transactions pursuant to an employee or non-employee director benefit plan, program, agreement, or arrangement that has been approved by the applicable committee of the Board of Directors (the “*Board*”) or recommended by that committee for approval by the Board.

This Policy is in addition to the provisions addressing conflicts of interest in the Company's Code of Conduct and any similar policies regarding conflicts of interests adopted by the Board, including the Code of Ethics for Principal Executive and Senior Financial Officers. Directors, executive officers and all other employees of the Company are expected to comply with the terms of these policies.

II. Procedures

Information, Reporting and Initial Review of Related Party Transactions

Related Party Transactions are brought to management's and the Board's attention in a number of ways. Each director and executive officer shall annually confirm to the Company certain information about Related Party Transactions as part of the preparation of the Company's annual report on Form 10-K and its annual proxy statement. Director nominees and persons promoted during the year to executive officer positions shall also confirm such information. In addition, management may review its records and make additional inquiries of management personnel and, as appropriate, third parties and other resources for purposes of identifying Related Party Transactions, including Related Party Transactions involving beneficial owners of more than 5% of the Company's voting securities.

Any transactions with Related Parties that are brought to the attention of the Company are reviewed by the Company's general counsel to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction or should otherwise be reviewed by the Audit Committee of the Company (the "***Audit Committee***") in the context of this Policy.

Audit Committee Review and Approval

At least annually, the Audit Committee will review a summary of all transactions with Related Parties entered into or existing as of the beginning of the Company's most recently completed fiscal year. During the course of the year, as necessary, the Audit Committee will be provided with the details of each new, existing, or proposed Related Party Transactions, as well as any other transaction with any Related Party that the general counsel has identified as warranting review.

If the general counsel determines it is impractical or undesirable to wait until an Audit Committee meeting to consummate a Related Party Transaction, the chair of the Audit Committee may review and approve the Related Party Transaction in accordance with the procedures set forth herein. Any approval (and the rationale for such approval) must be reported to the Audit Committee at the next scheduled Audit Committee meeting.

In determining whether to ratify or approve a Related Party Transaction, the Audit Committee shall review the relevant facts and circumstances. Such review shall include: if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party, the extent of the Related Party's interest in the transaction, as well as the controls implemented by the Company to protect the interests of the Company and its stockholders.

Following the review, the Audit Committee shall determine whether or not the Related Party Transaction is fair, reasonable, and consistent with this Policy, and whether the Related Party Transaction should be ratified or approved. Such ratification or approval by the Audit Committee shall be made in accordance with applicable law and the Company's organizational documents, as from time to time in effect.

No member of the Audit Committee may participate in approval of a Related Party Transaction for which he or she has an interest, but may, if so requested by the disinterested directors, participate in some or all of the discussions. If, in light of any such abstentions, less than a majority of the Audit Committee is qualified to ratify or approve a Related Party Transaction, the Audit Committee will submit the Related Party Transaction for consideration by the disinterested

independent directors of the Board, who shall review and vote to ratify or approve the transaction as described above. Where a vote of the independent directors (not including any interested directors) is required, such vote shall be called only following full disclosure to such independent directors of the facts and circumstances of the relevant Related Party Transaction, including the factors described above.

If the Company becomes aware of a Related Party Transaction that has not been approved under this Policy, the Related Party Transaction shall be reviewed in accordance with the procedures set forth herein and, if the Audit Committee determines it to be appropriate, ratified at the Audit Committee's next regularly scheduled meeting. In any case where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee may direct additional actions it deems appropriate and relevant including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

If a Related Party Transaction will be ongoing, the Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Audit Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure that they are in compliance with the Audit Committee's guidelines and that the Related Party Transaction remains appropriate.

Standing Pre-Approval for Certain Transactions

The Audit Committee has reviewed and pre-approved each of the following types of Related Party Transactions, which shall be deemed to be approved or ratified, as applicable, under this Policy, even if the aggregate amount exceeds \$120,000:

- (a) Compensation:
 - (i) To an executive officer or director of the Company if the compensation is required to be reported in the Company's proxy statement pursuant to Item 402 of Regulation S-K; or
 - (ii) To an executive officer of the Company who is not an immediate family member of another Related Party, if such compensation would have been required to be reported under Item 402 of Regulation S-K as compensation earned for services to the Company if the executive was a "named executive officer" in the proxy statement and, such compensation has been approved, or recommended to the Board for approval, by the Compensation Committee of the Board.
- (b) Transactions that are in the Company's ordinary course of business and where the interest of the Related Party arises only:
 - (i) From the Related Party's position solely as a director of another corporation or organization that is a party to the transaction;
 - (ii) From the direct or indirect ownership by such Related Party and all other Related Parties, in the aggregate, of less than a 5% equity interest in another person (other than a partnership) which is a party to the transaction; or

- (iii) From both such positions described in (i) and such ownership described in (ii); or
 - (iv) From the Related Party's position as a limited partner in a partnership in which the Related Party and all other Related Parties, in the aggregate, have an interest of less than 5%, and the Related Party is not a general partner of and does not have another position in the partnership.
- (c) Transactions that are in the Company's ordinary course of business and where the interest of the Related Party arises solely from the ownership of a class of equity securities in the Company and all holders of such class of equity securities of the Company will receive the same benefit on a pro rata basis.
 - (d) Transactions where the rates or charges involved in the transactions are determined by competitive bids.
 - (e) Certain Company charitable contributions, grants, endowments, or pledges to a charitable organization, foundation, or university as to which a Related Party's only relationship is an employee (other than an executive officer), or a director, if the aggregate amount involved does not exceed the greater of \$500,000 or 1% of the charitable organization's total annual receipts.
 - (f) Indemnification and advancement of expenses made pursuant to the Company's organizational documents or pursuant to any agreement.

Disclosure

All Related Party Transactions are to be documented in writing and preserved in accordance with the Company's policies as from time to time in effect.

The Company is required to make certain disclosures concerning certain Related Party Transactions under the regulations of the Securities and Exchange Commission, including with respect to Item 404(a) of Regulation S-K, as described above. Information about Related Party Transactions is also relevant for purposes of complying with the continued listing and disclosure requirements of Nasdaq pertaining to director independence, and for purposes of complying with financial reporting requirements. The Company shall comply fully with all such requirements.

Other Agreements

Management shall ensure that all Related Party Transactions are not in violation of, and are approved in accordance with, any requirements of the Company's financing or other material agreements.